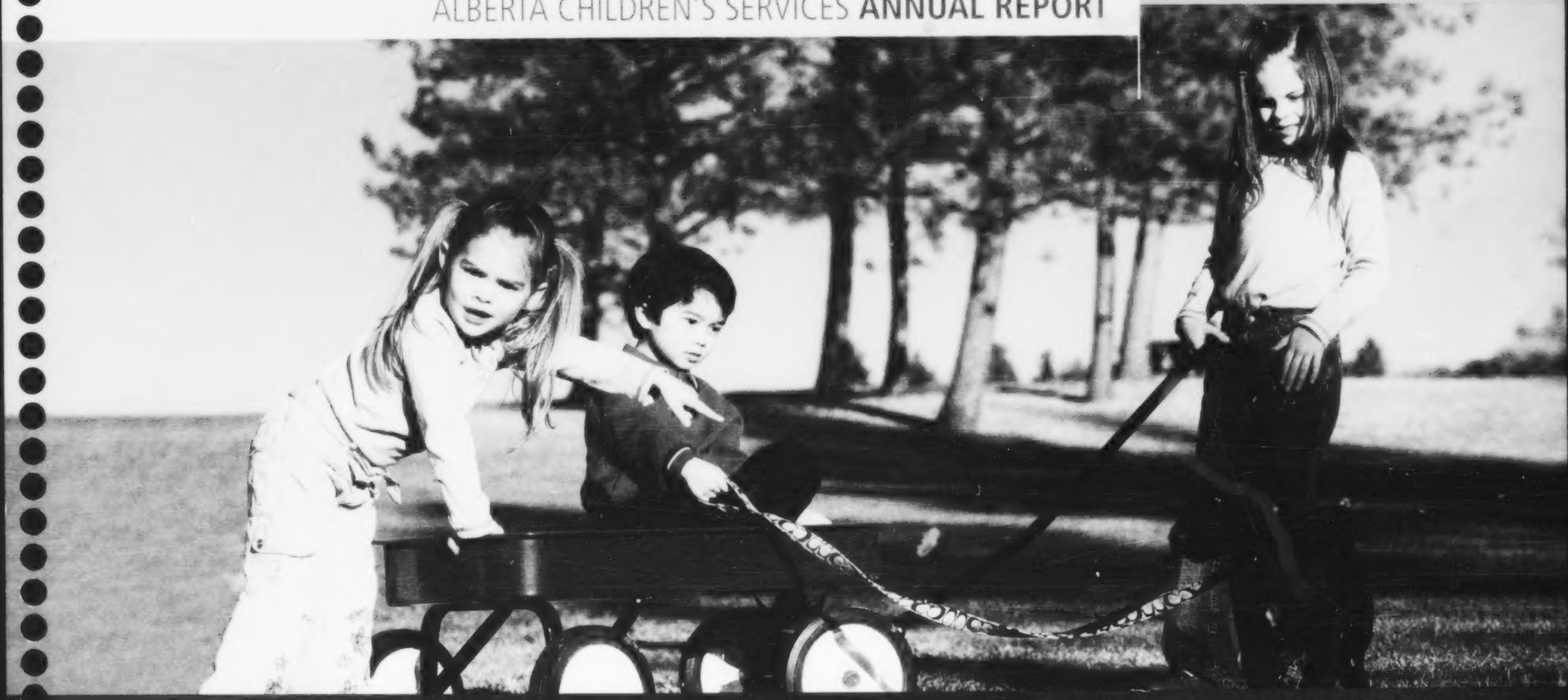
2005-06

ALBERTA CHILDREN'S SERVICES **ANNUAL REPORT**



Alberta

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2007-00136

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 26, 2006 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Children's Services contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry Business Plan. This Ministry Annual Report also includes:

- The financial statements of entities making up the Ministry including the Department of Children's Services and 10 Child and Family Services Authorities for which the Minister is responsible.
- Other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of the financial statements, to the extent that the Ministry has anything to report.

MINISTER'S ACCOUNTABILITY STATEMENT

The ministry's annual report for the year ended March 31, 2006, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of September 1, 2006 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Heather Forsyth

Heather Forsyth
MINISTER OF CHILDREN'S SERVICES

MESSAGE FROM THE MINISTER

When it comes to serving children, youth and families, Alberta does it best. We're leading the way with our balanced, broad-based approach to make sure our children, youth and families can and do succeed, by: promoting their development and well-being, keeping them safe and protected and promoting healthy communities in which they live.

In March, we passed groundbreaking legislation to protect drug-endangered children found in places where drugs are produced, sold or used. The *Drug Endangered Children Act* is the first of its kind in Canada to specifically define who is a drug-endangered child and makes it clear that these children are victims of abuse who need intervention and protection. Children exposed to the dangers of drug manufacturing and trafficking is a problem becoming more prevalent in our province every day. This legislation will help keep the government ahead of this emerging social issue and most importantly, will help caseworkers and police keep more children safe.

Last year, Alberta also became only the second jurisdiction in Canada to add stalking to the definition of family violence and legislate the need to protect stalking victims. The *Protection Against Family Violence Amendment Act* also better protects vulnerable family members, such as seniors and individuals with disabilities. With a more comprehensive definition of family violence, the amended act will also make it easier for caseworkers, justice officials and police officers to issue Emergency Protection Orders, so they can take appropriate and timely action to prevent further violence.

The prevention of family violence and bullying is a priority not only for this ministry, but for the entire government. In October 2005, we hosted the World Conference on Prevention of Family Violence, bringing together over 1,200 delegates from 30 different countries, to create an international understanding and awareness of family violence and create a platform for action.

Children are one-third of our population and all of our future, and our government is a leader in helping parents give their children the best start in life, especially when it comes to quality child care. Our innovative approaches offer parents choice and flexibility so they can choose the child care options that best meet the needs of their families. Based on consultation with parents, we introduced a made-in-Alberta child care plan in October. Alberta's Five-Point Child Care Investment Plan has been very well received, and includes: increased child care subsidy for low and middle-income families; subsidy for stay-at-home parents; staff wage top-ups and funding for staff training; expanded access to specialized programs for parents with children with disabilities; and enhanced resources to help parents do the best job possible.

We've also made strides in helping to protect Alberta's children and youth from the ongoing threat of sexual exploitation. Today, kids are being lured through the Internet right from their own homes, and we face increased pressures to keep up with advances in technology and teach families that children and youth need to be just as safe online as they are in the playground. Last year, we worked hard with a number of partners to develop new education and awareness strategies, including: the television special *Children, Sex and the Net – What Every Parent Should Know*; a website – www.getwebwise.ca to educate families about Internet luring and safety; and the "Protecting Futures, Creating Hope" symposium to share best practices and develop strategies to continue to protect children and youth from sexual exploitation.

Making the move to adulthood can be challenging, and we know how important it is to support youth through this transition. That's why we amended legislation to significantly change the way we support youth in care. We now work with them until the age of 22, and we've made it mandatory to develop formal transition plans, including life skill development, education and career development. This past year, we awarded 484 *Advancing Futures* bursaries to youth who were, or had been, in our care, to help them obtain a degree or learn a trade through post-secondary, apprenticeship or other training programs. We also piloted projects in Edmonton and Calgary to develop new strategies for working with high-risk youth. Staff who have the knowledge, experience and skill to work with these youth, have come together to explore what we can do to build relationships, help them feel connected to the system and work towards providing the necessary supports and services to help them transition into becoming contributing members of society.

When you're in the business of serving children and youth, you want to do everything in your power to make sure they're safe and happy. Today, more than ever, we focus on building strong families and communities. Over the next year, we will implement the new *Drug Endangered Children Act* and *Protection Against Family Violence Amendment Act*, which both come into force on November 1, 2006. We'll develop a permanency plan for aboriginal children in care to ensure that more aboriginal children find permanent loving homes, and that this is done in a culturally sensitive way. And, we'll continue to focus on the prevention of child and youth sexual exploitation; improving the way we serve high risk youth; and ensuring that Albertans have quality and choice in child care.

We are clearly committed to doing everything we can for Alberta's children, youth and families, and we will continue to make an even bigger difference in the future. I commend the passionate, dedicated and visionary employees at this ministry who I can say, with confidence, do a fantastic job each and every day, working on behalf of the children, youth and families in this province.

Heather Forsyth

Heather Forsyth
MINISTER

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The Ministry of Children's Services includes the Office of the Child and Youth Advocate, the 10 Child and Family Services Authorities, the Youth Secretariat, the Department of Children's Services, the Social Care Facilities Review Committee and Children's Services Appeal Panels.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Children's Services. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Children's Services any information needed to fulfill their responsibilities; and
- Facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Maria Davis-Evans

Maria Davis-Evans
DEPUTY MINISTER
September 1, 2006

OVERVIEW OF THE MINISTRY

OVERVIEW OF THE MINISTRY

OPERATIONAL OVERVIEW

Overall ministry operations and services

Alberta is home to approximately 770,000[1] children under the age of 18. The Ministry of Children's Services strives to create an environment where young people can live happy, rewarding lives.

We work to help children become strong, healthy individuals and endeavour to provide safe, nurturing environments for the province's children and youth. We also work with families, communities and others to stop abuse and break cycles of family violence.

OUR VISION

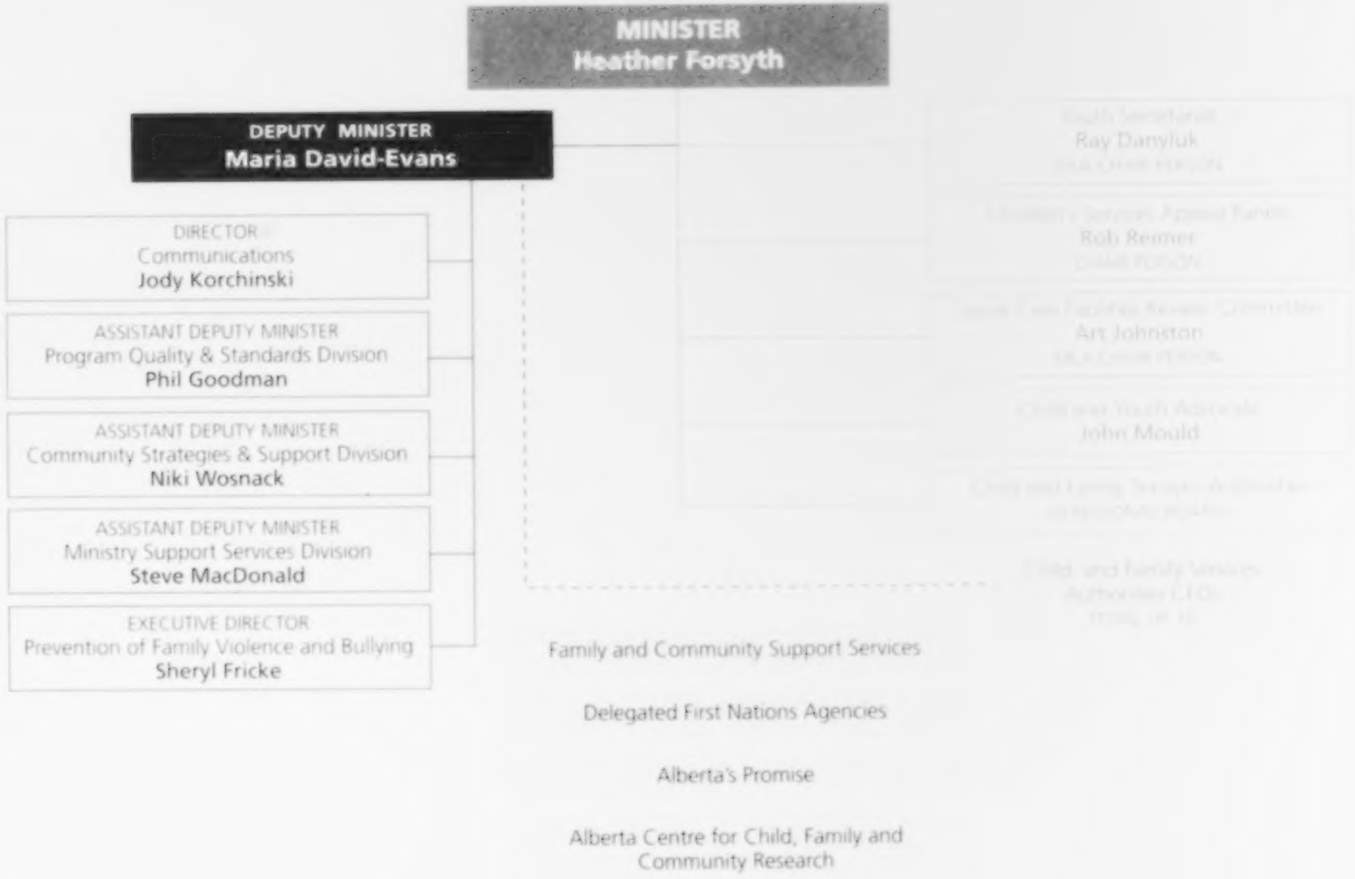
Our vision of strong children, families and communities is an Alberta where children and youth are valued, nurtured and loved. They will develop to their potential supported by enduring relationships, healthy families and safe communities.

OUR MISSION

Our mission is to work together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and individuals.

References: (a) Alberta Finance – Statistics: Alberta Population Projections by Census Division 2004-2026 – October 2004, Medium Growth Scenario Tables. (b) Custom data provided by Alberta Health from 2002 Alberta Health Registrations files.

Alberta Children's Services organization



MINISTER
Heather Forsyth

DEPUTY MINISTER
Maria David-Evans

DIRECTOR
Communications
Jody Korchinski

ASSISTANT DEPUTY MINISTER
Program Quality & Standards Division
Phil Goodman

ASSISTANT DEPUTY MINISTER
Community Strategies & Support Division
Niki Wosnack

ASSISTANT DEPUTY MINISTER
Ministry Support Services Division
Steve MacDonald

EXECUTIVE DIRECTOR
Prevention of Family Violence and Bullying
Sheryl Fricke

Youth Secretariat
Ray Danyluk
MLA CHAIR PERSON

Children's Services Appeal Panel
Rob Reimer
CHAIR PERSON

Social Care Facilities Review Committee
Art Johnston
MLA CHAIR PERSON

Child and Youth Advocate
John Mould

Child and Family Services Authorities
10 REGIONAL BOARDS

Child and Family Services
Authorities CEOs
TOTAL OF 10

Family and Community Support Services

Delegated First Nations Agencies

Alberta's Promise

Alberta Centre for Child, Family and Community Research

Organization Description

The provincial government is responsible for providing services for the safety, security and well-being of children and families. The Ministry of Children's Services fulfills these obligations through the following entities.

CHILD AND FAMILY SERVICES AUTHORITIES (CFSAs)
Financial information for each CFSA is included in this annual report beginning on page 143.

CFSAs provide regional supports and services to children and families. The Minister of Children's Services appoints a board of community members to lead each CFSA. Legislation, a memorandum of understanding and an annual business plan approved by the Minister guide each board's activities. A chief executive officer appointed in each region implements ministry programs and services, and oversees the execution of the board's policies and decisions to ensure effectiveness.

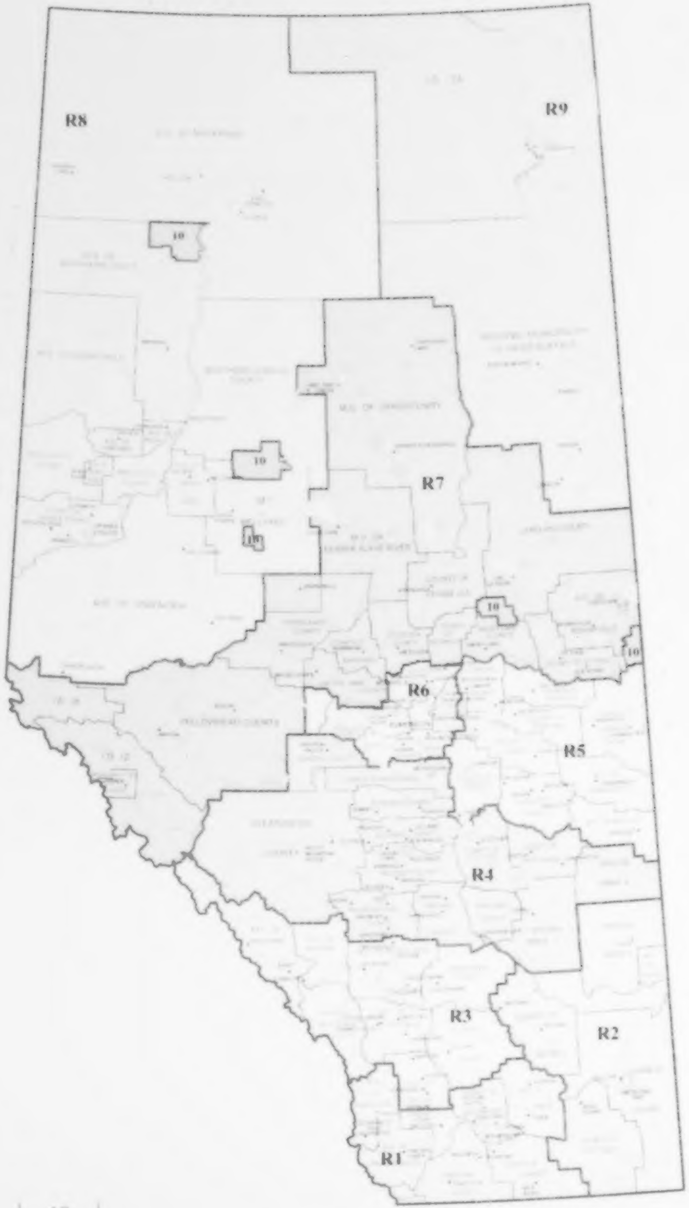
More than 2,500 Alberta government employees work in the province's 10 CFSAs. When appropriate, CFSAs contract community-based agencies to deliver services.

Each CFSA:

- manages services for children, families and other community members and non-delegated First Nations reserves;
- ensures children and families have access to high-quality services;
- assesses needs and sets priorities;
- monitors and assesses the provision of child and family services for quality assurance;
- plans and allocates resources;
- ensures provincial policies and standards are followed; and
- works with other CFSAs, Delegated First Nations Agencies (DFNAs), public and private bodies and government to co-ordinate services for children and families.

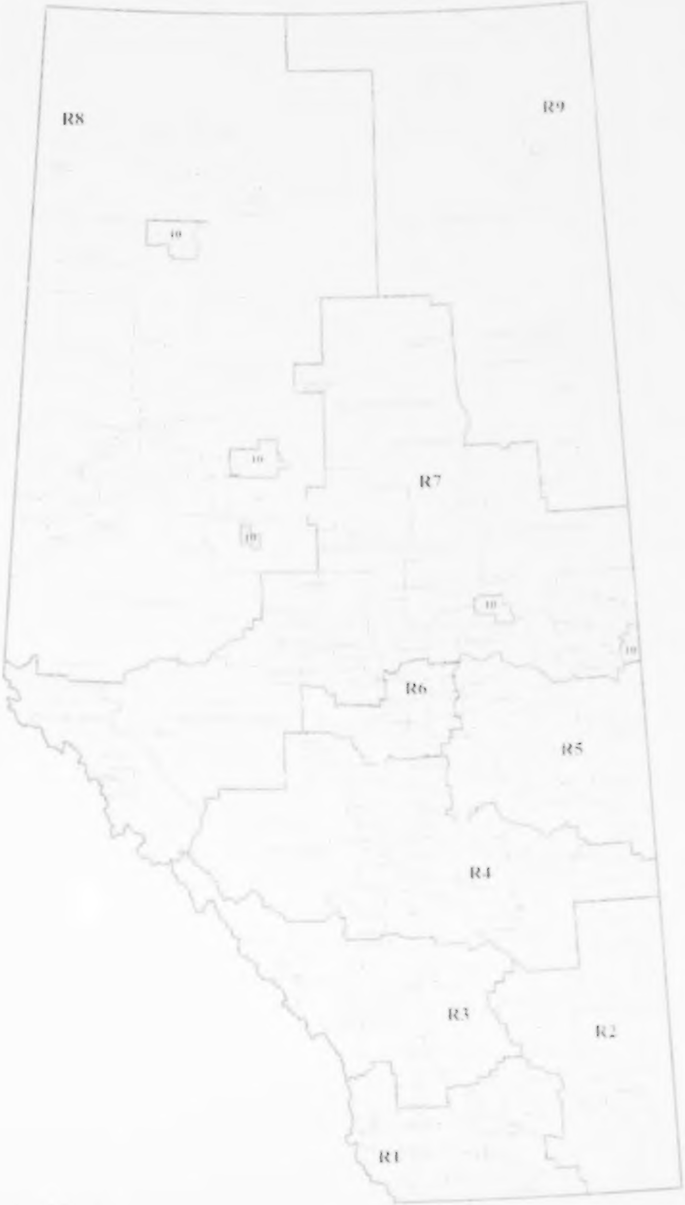
CHILD AND FAMILY SERVICES AUTHORITIES

REGION 1	**Southwest Alberta**
(R1)	Child and Family Services Authority
REGION 2	**Southeast Alberta**
(R2)	Child and Family Services Authority
REGION 3	**Calgary and Area**
(R3)	Child and Family Services Authority
REGION 4	**Central Alberta**
(R4)	Child and Family Services Authority
REGION 5	**East Central Alberta**
(R5)	Child and Family Services Authority
REGION 6	**Edmonton and Area**
(R6)	Child and Family Services Authority
REGION 7	**North Central Alberta**
(R7)	Child and Family Services Authority
REGION 8	**Northwest Alberta**
(R8)	Child and Family Services Authority
REGION 9	**Northeast Alberta**
(R9)	Child and Family Services Authority
REGION 10	**Métis Settlements**
(R10)	Child and Family Services Authority



CHILD AND FAMILY SERVICES AUTHORITIES

REGION 1	Southwest Alberta
(R1)	Child and Family Services Authority
REGION 2	Southeast Alberta
(R2)	Child and Family Services Authority
REGION 3	Calgary and Area
(R3)	Child and Family Services Authority
REGION 4	Central Alberta
(R4)	Child and Family Services Authority
REGION 5	East Central Alberta
(R5)	Child and Family Services Authority
REGION 6	Edmonton and Area
(R6)	Child and Family Services Authority
REGION 7	North Central Alberta
(R7)	Child and Family Services Authority
REGION 8	Northwest Alberta
(R8)	Child and Family Services Authority
REGION 9	Northeast Alberta
(R9)	Child and Family Services Authority
REGION 10	Metis Settlements
(R10)	Child and Family Services Authority



DELEGATED FIRST NATIONS AGENCIES

Children's Services strives to meet the unique needs of aboriginal children and recognizes the need for First Nations and Métis communities to have a role in the design, implementation and evaluation of child intervention services. There are 18 DFNAs with Child Intervention Agreements providing services to 40 of the 47 First Nations under the *Child, Youth and Family Enhancement Act*. DFNAs receive funding from Indian and Northern Affairs Canada as set in Policy Directive 20-1.

FAMILY AND COMMUNITY SUPPORT SERVICES

Family and Community Support Services (FCSS) is an 80/20 per cent funding partnership between the province and municipalities or Métis Settlements. Under FCSS, communities design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities. Programs depend on community resources and often involve volunteers for management and delivery. There are 298 municipalities and Métis Settlements organized into 199 FCSS programs providing services throughout Alberta.

YOUTH SECRETARIAT

The Youth Secretariat works with youth, families, ministry representatives, government departments and stakeholders to address issues facing Alberta youth. The Secretariat maintains a Youth Advisory Panel to provide an ongoing youth perspective and develop effective solutions to youth issues. Ray Danyluk, MLA for Lac La Biche-St. Paul, chairs the Youth Secretariat.

CHILDREN'S SERVICES APPEAL PANELS

The *Child, Youth and Family Enhancement Act* Appeal Panel and *Family Support for Children with Disabilities Act* Appeal Panel are citizen panels appointed by the Minister of Children's Services. Appeal panels provide Albertans affected by a Director's decision access to a fair, impartial and independent review by a quasi-judicial administrative tribunal. Panels provide written decisions to confirm, reverse or vary a Director's ruling within the discretion allowed under relevant legislation. Panels report directly to the Minister and are chaired by Mr. Rob Reimer.

SOCIAL CARE FACILITIES REVIEW COMMITTEE

The Social Care Facilities Review Committee is a citizen panel appointed by the Lieutenant Governor-In-Council. Its legislated mandate is to review provincially funded social care facilities, day care centres and out-of-school care programs. It also investigates complaints upon ministerial request. The committee reports directly to the Minister and is chaired by Art Johnston, MLA for Calgary-Hays.

CHILD AND YOUTH ADVOCATE

The Child and Youth Advocate represents the rights, interests and views of children and youth receiving services under the *Child, Youth and Family Enhancement Act* and the *Protection of Children Involved in Prostitution Act*. It provides the Minister with information and advice on the nature, availability, accessibility, effectiveness and appropriateness of services offered under these acts. The advocate also provides training and support to individuals and organizations interested in advocating for vulnerable children and families.

PREVENTION OF FAMILY VIOLENCE AND BULLYING DIVISION

The Prevention of Family Violence and Bullying division provides leadership and services under the *Protection Against Family Violence Act* (PAFVA) and the family violence sections within the *Child, Youth and Family Enhancement Act*.

The division is responsible for:

- co-ordinating and supporting cross-government and community partners in developing provincial leadership and community capacity to deliver and monitor a co-ordinated, collaborative community response to family violence and bullying, including prevention, protection, outreach and follow-up services; and
- the women's emergency shelter program.

PROGRAM QUALITY AND STANDARDS DIVISION

The Program Quality and Standards division provides leadership and support to ensure children and families receive high quality services that produce better outcomes for children.

The division is responsible for:

- setting quality assurance standards for the Child Intervention and Family Support for Children with Disabilities programs;
- evaluating outcomes;
- developing program policy and services;
- managing provincial programs;
- providing guidance and expertise in accountability and program delivery to CFSAs and DFNAs; and
- providing training, case consultation, mentoring, mediation and monitoring compliance to provincial standards for CFSAs and DFNAs.

COMMUNITY STRATEGIES AND SUPPORT DIVISION

The Community Strategies and Support division provides leadership for the implementation of preventive programs, and builds capacity to effectively use partnerships to enhance community-based services.

The division is responsible for:

- child development such as early learning and child care;
- community partnerships such as Family and Community Support Services, Parent Link Centres and the Fetal Alcohol Spectrum Disorder initiative;
- board governance;
- administrative support to the Children's Services Appeal Panels, the Social Care Facilities Review Committee and the Youth Secretariat;
- social science research links;
- the Advancing Futures bursary program;
- youth engagement; and
- the Alberta Children and Youth Initiative.

MINISTRY SUPPORT SERVICES DIVISION

The Ministry Support Services division provides strategic planning, accountability and operational support for Ministry policy and program development, as well as service delivery.

The division is responsible for:

- business planning and corporate strategic operations;
- performance measurement and reporting strategies;
- legal policy advice, legislative planning and support;
- financial planning, budgeting, analysis and monitoring processes;
- human resource strategies, initiatives and services;
- data resources, records management, information systems, technology infrastructure;
- advice relating to the *Freedom of Information and Protection of Privacy Act*; and
- intergovernmental relations.

COMMUNICATIONS

Communications provides useful, timely and clear information to Albertans about Children's Services.

The branch:

- provides strategic communication planning and consulting support;
- co-ordinates internal communications efforts;
- provides strategic communications advice and support to the Minister;
- manages media relations;

- provides graphic design, advertising and web communications support; and
- provides print production assistance and advice.

ALBERTA'S PROMISE

Alberta's Promise is an initiative encouraging all community sectors, particularly businesses and corporations, to direct increased resources to benefit children and youth. It inspires and encourages Alberta businesses, foundations, agencies and community leaders to increase their participation in activities that help Alberta's children live, learn and grow.

The little red wagon is the Alberta's Promise symbol. It reminds partners to pull together to help all children strive toward achieving their hopes and dreams. Alberta's Promise receives strategic advice from the Premier's Council, chaired by Premier Ralph Klein.

ALBERTA CENTRE FOR CHILD, FAMILY AND COMMUNITY RESEARCH

Governed by a board, the centre funds policy relevant research related to children, families and communities. It promotes cross-sectoral and interdisciplinary research capacity building by requiring research teams to work with policy makers and community service providers when applying for, and carrying out, funded research projects.

Ministry core businesses

The Alberta Government recognizes the crucial role parents play in a child's development and welfare. It has committed to providing parents and caregivers with the support needed to succeed by legislating that services for children are a shared responsibility between parents, communities, child care practitioners, government and the public.

The following core businesses, goals and outcomes reflect the responsibility and commitment to achieving positive outcomes for Alberta children and families. The Ministry shares these roles with municipalities through FCSS, First Nations communities, Métis Settlements and DFNAs. Under the Minister's direction, Children's Services takes the lead in three core businesses within this system of shared responsibility.

CORE BUSINESS 1:

Promoting the development and well-being of children, youth and families

GOAL 1: Children and youth will have a healthy start in life and the supports they need to reach their potential

Children's Services works with ministry partners to increase the ability of children to have a healthy start in life and the opportunities they need to learn, grow, excel and achieve their potential. Outcomes are:

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy.
- Children and youth meet individual developmental milestones.

CORE BUSINESS 2:

Keeping children, youth and families safe and protected

GOAL 2: Families will be safe, healthy, and able to promote children's development.

GOAL 3: Children in need will be protected and supported by permanent, nurturing relationships.

The Ministry promotes the ability of families to provide safe and nurturing environments for their children's development and implements services to improve outcomes for children and families. Outcomes are:

- Children, youth and families overcome at-risk circumstances.
- Children, youth and families are safe, healthy, resilient and self-reliant.
- Children and youth in need are protected from further abuse and neglect.
- Children and youth in care are placed in secure and stable environments that allow for the development of life-long relationships and connection to family, culture and community.

CORE BUSINESS 3:

Promoting healthy communities for children, youth and families

GOAL 4: The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans.

GOAL 5: Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families.

The Ministry will strengthen the capacity and self-reliance of communities, including aboriginal communities, to plan and deliver services to meet the needs of children, youth and families. Outcomes are:

- Aboriginal communities have the capacity to meet the needs of children, youth and families.

- There is a reduced number of aboriginal children represented in the child welfare caseload.
- Aboriginal children, youth and families receive culturally appropriate services.
- Alberta is recognized at the international, national and community levels for leadership in promoting strong children, families and communities.
- Communities are responsive to the needs, values and cultures of children and their families.
- Children, youth and families participate in decisions that affect them.
- Albertans are involved in addressing issues faced by children, youth and families.

The 2005-06 fiscal period marked another year of significant achievements at Children's Services.

Legislation and Policy

Two key pieces of legislation were passed expanding the Ministry's ability to further protect families from two emerging social issues. The *Drug Endangered Children Act* (DECA) and the *Protection Against Family Violence Amendment Act* (PAFVA) received Royal Assent March 23, 2006. Preparations to support implementation are underway.

The *Drug Endangered Children Act* is the first legislation of its kind in Canada. Children exposed to serious drug activity, such as manufacturing and trafficking, will benefit from additional protection.

The legislation:

- deals with specific drug activity such as trafficking and manufacturing, including crystal methamphetamine labs and indoor marijuana grow operations;
- identifies criteria to define a drug endangered child and makes it clear a child exposed to serious drug activity is a victim of child abuse and requires intervention;
- is another tool to help caseworkers and police rescue children endangered by an adult's involvement in serious drug activity; and
- raises awareness of the plight of drug endangered children in an effort to increase the number of people reporting this type of abuse.

The *Protection Against Family Violence Amendment Act* will better protect stalking victims and vulnerable family members, such as seniors and individuals with disabilities. Alberta is only the second jurisdiction in Canada to make this provision.

This act:

- adds stalking to the definition of family violence to help protect those who have left violent relationships;
- provides a more comprehensive explanation of family violence, giving frontline case workers, police and judges a better understanding of family violence dynamics and helping them make more informed decisions regarding Emergency Protection Orders;
- protects vulnerable people, such as seniors, who are being abused by a family member not living with them; and
- ensures an abusive parent does not need to be consulted about whether a child receives counselling.

Initiatives

- The Alberta Government negotiated and signed an early learning and child care agreement with the Government of Canada as part of the National Child Care Strategy. In February 2006, the new federal government announced its intention to honour the Canada-Alberta agreement-in-principle on child care until March 31, 2007.
- Women's shelter supports and community-based programs were expanded to include prevention and outreach services.
- A comprehensive provincial strategy was developed to prevent sexual violence.
- Public awareness and education strategies were implemented to prevent family violence and bullying. This included the S-Team Heroes bullying prevention campaign for children ages three to 11, which earned the Ministry a Premier's Award of Excellence.
- The *Advancing Futures* bursary program supported 484 youth between the ages of 16 and 22 who had been, or continued to be, in the care of Children's Services.
- The Ministry established a seven-point plan to enhance working relationships between the department, CFSAs, DFNAs and aboriginal agencies and partners, with a focus on building bridges between CFSAs, DFNAs and Métis Settlements at both regional and provincial levels. It recognizes the importance of having positive and strong working relationships with partners to achieve what is best for children and families. The seven-point plan is helping to increase the number of aboriginal children placed in permanent homes.
- Stakeholders were brought together to share promising practices and assist in developing future strategies to combat child and youth sexual exploitation, a significant area of concern.
- The Ministry developed several strategies to prevent the sexual exploitation of children and youth through prostitution, Internet luring and child pornography. These strategies encompass education and awareness, prevention and protection, enforcement, and research and training. The education and awareness campaign was launched in May 2005 with the television special *Children, Sex and the Net – What Every Parent Should Know*. The **www.getwebwise.ca** website was launched to educate parents, youth and children about Internet luring, other potential Internet dangers and achieving online safety.

- Youth impacted by ministry services continued to participate in, and provide advice on all key program and policy development areas. This is evident in the establishment of Alberta's Prevention of Bullying Youth Committee, the strong youth presence at the World Conference on the Prevention of Family Violence, the implementation of 10 youth networks, and the successful completion of 24 youth forums, including one for disabled youth.
- During 2005-06, 14 new Parent Link Centres (PLCs) were established, bringing the total to 36 centres across Alberta, including five centres with an aboriginal focus. Each centre connects parents to resources, community supports and training so parents can help their children develop and reach their potential, as well as ensure their children enter school ready to learn.
- Children's Services hosted the World Conference on the Prevention of Family Violence, to create an international understanding of family violence issues. More than 1,200 delegates, presenters, observers and volunteers from 30 countries attended, representing all levels of the family violence prevention community and a full range of faith communities.
- New Alberta's Promise partnerships exceeded expectations with a partner increase of 177 organizations to bring the total number to 423. Alberta's Promise builds on community desire to support children and youth. Individuals, organizations and private sector companies allocate additional resources to children's programs, resulting in greater community capacity to support children across the province.
- In November, Children's Services hosted the largest ever Prairie Child Welfare Symposium to collaborate and influence child welfare training, practice and research. It emphasized respect for aboriginal communities' needs and provided an opportunity to re-examine current strategies to achieve the best impact on services.
- Edmonton and Area CFSA developed a partnership with Yellowhead Tribal Services Agency (YTSA) and its five bands to ensure collaborative permanency planning for band member children.
- Under the direction of the Honourable Heather Forsyth, Minister of Children's Services, Alberta acted as the lead jurisdiction for the Canada Northwest Fetal Alcohol Spectrum Disorder Partnership. The alliance of four western provinces and three territories is developing an inter-provincial/territorial approach to prevent Fetal

Alcohol Spectrum Disorder (FASD), and to care for and support those already affected.

- Along with a number of other ministries, Children's Services continued as a lead partner in the Alberta Children and Youth Initiative (ACYI).
- Children's Service led the cross-ministry Prevention of Family Violence and Bullying Initiative.
- As a partner ministry in the cross-ministry Aboriginal Policy Initiative, Children's Services led province-wide aboriginal suicide prevention awareness, education and training at three Aboriginal Youth Suicide Prevention Strategy pilot sites.

RESULTS ANALYSIS

RESULTS ANALYSIS

MESSAGE FROM THE DEPUTY MINISTER

Over the past year, the ministry has invested much time and energy into addressing some of the multi-faceted issues which affect the province's children and families. We have continued to collaborate with our government and community partners, as well as to strive for excellence in frontline practice. As always, I am proud of the hard work staff have done to help children, families and communities across Alberta.

As the lead ministry in the provincial government's campaign to prevent family violence and bullying, we hosted the first ever World Conference on the Prevention of Family Violence. Approximately 1,200 researchers, support workers and policy makers from 30 countries came together to focus on the themes of knowledge, impact and practice. A final report was prepared outlining the next steps for action.

In an effort to build a coordinated, community response to family violence and bullying, the ministry supported 130 projects throughout the province through the Community Incentive Fund. This program enabled 62 Alberta communities to take action based on local need and foster partnerships within the community.

Under the Alberta Children and Youth Initiative (ACYI), the ministry launched the first phase of a three-year bullying prevention campaign. Through an interactive online game and comic book, the S-Team Heroes teach children between the ages of 3 to 11 how to handle bullying situations. The next phases of the campaign will focus on teens and adults and their role in bullying prevention. The campaigns focus on building community capacity to stop bullying where it starts.

The prevention of child sexual exploitation through prostitution, Internet luring and child pornography was another ACYI priority. Education and awareness strategies included a television special entitled *Children, Sex and the Net – What Every Parent Should Know*, and www.getwebwise.ca, a website to educate parents, youth and children about Internet luring, other online dangers and how to stay safe online. In addition, the ministry hosted the symposium "Protecting Futures, Creating Hope," to share best practices and develop future strategies to combat child and youth sexual exploitation.

After signing an early childhood development and child care agreement with the Government of Canada, we undertook a major consultation with Albertans on their priorities for child care. Government approved a unique five-point plan based on what we heard to ensure all Albertans benefit from quality, flexible child care options. We have worked with child care providers to build the capacity needed to implement our new plan.

To help address some emerging social issues in our province, two new pieces of legislation were passed. The *Drug Endangered Children Act* is the first legislation in Canada to recognize that children exposed to serious drug activity such as manufacturing and trafficking are victims of abuse and need protection. To effectively implement this new law and ensure its consistent practice, new protocol and policy will be developed.

To better protect more people from the devastating effects of family violence, amendments were made to the *Protection Against Family Violence Act*. The amendments include a stalking provision and enhance the ability to protect all victims of family violence, regardless of whether they live together. Both pieces of legislation will come into force November 1, 2006.

Numerous strategies were undertaken to promote the well-being of aboriginal children, families and communities. In an effort to improve working relationships between the department, CFSAs, DFNAs and aboriginal agencies and partners, we developed a seven-point plan that will ensure increased communication and collaboration and result in better outcomes for Alberta's aboriginal children and families. We also focused on understanding family violence in aboriginal and indigenous communities at the World Conference on the Prevention of Family Violence. The creation of new working protocols and increased understanding of aboriginal communities will ensure we are better able to serve the province's children and families.

At Children's Services, we recognize the importance of talking to Alberta's youth to find out what issues they face and how we can help. Through the Youth Secretariat, Youth Advisory Panels, youth forums, the Prevention of Bullying Youth Committee and participation at the world conference, we heard their concerns. We continued to support youth in transition pilot sites to help connect high-risk youth with supportive adults. We also continued to support children and youth in care to pursue educational opportunities through the Advancing Futures bursary program.

With the implementation of the *Child, Youth and Family Enhancement Act*, we identified the need to make a shift in practice to reflect the new legislation and realize its full intent. Extensive groundwork went into the development of a new Casework Practice Model in an effort to align practice and ensure consistency across the province. We consulted with staff about strengths and barriers in delivery of services under the new act. We will continue our consultations throughout the coming year as we prepare to implement the new model.

The backbone of any organization is its staff. I could not be prouder of the strong, compassionate, dedicated and knowledgeable people who make our ministry so successful. Every day new programs are developed and new policy is put in place to ensure better outcomes for Alberta's children and youth. Every day, frontline staff make a difference in the lives of children and families across the province.

The work we do at Children's Services depends not only on the dedication and hard work of our staff, but also the staff of our contracted agencies and community partners and the continued collaboration and open dialogue among us all. By working together in the spirit of integrity and respect, we're building a brighter future for Alberta.

Maria Davis-Evans
DEPUTY MINISTER

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE MEASURES AND SUPPLEMENTAL MEASURES

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Children's Services 2005-2006 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures and supplemental measures in the annual report. I verified:

Performance measures

COMPLETENESS

1. Performance measures and targets matched those included in Budget 2005. Actual results are presented for all performance measures.

RELIABILITY

2. Information in reports from external organizations matched information that the Ministry used to calculate the actual results.
3. Information in reports that originated in the Ministry matched information used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

COMPARABILITY AND UNDERSTANDABILITY

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

Supplemental Measures

5. Information in reports matched information that the Ministry used to calculate the actual results.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of performance measures and supplemental measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J Dunn FCA
Auditor General

EDMONTON, ALBERTA
JULY 20, 2006

DISCUSSION AND ANALYSIS OF RESULTS

The following section outlines the Ministry's core businesses, goals, strategies and desired outcomes, along with a measurement of the Ministry's performance for the past year.

In the 2005-08 Ministry Business Plan, the following measures were targeted for reporting in 2006-07 and therefore, are not reported in the Results Analysis section of this annual report:

UNDER CORE BUSINESS 2 – GOAL 2

- Percentage of families accessing Ministry programs that indicate positive impacts for their children.

UNDER CORE BUSINESS 3 – GOAL 5

- Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families.

CORE BUSINESS **ONE**

AND WELL-BEING OF CHILDREN, YOUTH AND FAMILIES

GOAL 1 Children and youth will have a healthy start in life and the supports they need to reach their potential

Strategies:

- Lead the implementation of the Strategy for the Prevention of Family Violence and Bullying cross-ministry action plan including the development of enabling legislation, funding and organizational structure.
- Develop cross-ministry, culturally sensitive, community-based parent resources that assist parents with acquiring information and skills to give children the best possible start in life, and the supports to learn, grow and succeed.
- Strengthen and integrate early childhood development services, child development screening, parent education and family supports through the Parent Link centre initiative.
- Continue cross-ministry implementation of the Policy Framework for Children and Youth with Special and Complex Needs, in collaboration with other initiatives including improving co-ordination and access to services and supports for youth with disabilities. Enhancing cross-sector system capacity to respond to the needs of children and youth with special and complex needs, (e.g. Family Support for Children with Disabilities legislation).
- Implement child care standards and investigate options that strengthen the ability of families in all communities to care for their children, support children in meeting developmental milestones, and balance home and work responsibilities.
- Continue cross-ministry work to support youth in transition in order to better address the needs of youth and help them as they transition to adulthood, including obtaining further learning, employment and mentors where needed.
- Promote and improve access to the Ministry's bursary program to help increase the educational attainment of children and youth in care, to support vocational and educational pursuits and contribute to the supports they need for a successful transition to adulthood.
- Work through the cross-ministry committee and community partners to improve the services aimed at preventing Fetal Alcohol Spectrum Disorder by reducing substance abuse through increased awareness targeted at high-risk mothers, and to address the needs of children, youth and families affected.
- Work with municipalities to strengthen community-based services for children, youth and families through the Family and Community Support Services program.

- Develop flexible child care options for families in rural communities to better meet parents' child care needs.
- Promote the development of, and provide support to, Youth Networks, which participate in community engagement and in the design, delivery and assessment of services for children, youth and their families.
- Develop strategies and services to support youth and children receiving protective services to reach the same educational milestones as children and youth who are not in need of protective services.
- Continue to implement the new *Family Support for Children with Disabilities Act* and policies to focus resources for children with disabilities on early intervention and family supports, and better co-ordinate services among partners so that families obtain the supports they need for their children and youth.
- Develop strategies to ensure that families of children with disabilities are provided information about supports and services available to them and their children.
- Support child care programs in working towards and achieving accreditation standards of high quality.
- Increase the level of data available from local programs (Canadian Outcomes and Research Institute) through Family and Community Support Services, in order to set benchmarks and establish a performance measure for subsequent Ministry business plans.

Accomplishments:

- Led implementation of the cross-ministry action plan titled "Strategy for the Prevention of Family Violence and Bullying."
- Obtained approval of proposed amendments to the *Protection Against Family Violence Act* for proclamation November 1, 2006. The revised act adds a stalking provision and enhances remedies to protect all victims of family violence, regardless of whether they reside together. It assists judges, justices of the peace, police, and child intervention workers by clarifying and streamlining processes to enable quick action to stop family violence and provide protection from further violence.
- included a family violence policy in the *Child Intervention Services Policy Manual* to improve responses to children exposed to domestic violence. This policy is included in mandatory training for child intervention workers.

- Enabled parents to learn skills in keeping with their children's growth and well-being, through continued development of sustained, community-based resources such as:
  - Establishing 14 new Parent Link Centres bringing the total to 36 centres throughout Alberta.
  - Conducting the formative evaluation of the implementation of Parent Link Centres. Findings indicated more than 90 per cent of parents surveyed felt:
    - programs and services met their needs;
    - resources were easy to understand;
    - resources for children were age appropriate; and
    - libraries contained a wide range of useful information.
    - Preparing a draft report outlining a delivery model and implementation plan for enhanced developmental screening, assessment and early intervention services in Parent Link Centres.
- Expanded the multi-disciplinary service delivery model for children and youth with special and complex needs and their families to six additional communities. Multi-disciplinary teams now operate in Southwest Alberta, Southeast Alberta, Calgary and Area, Central Alberta, East Central Alberta, Edmonton and Area, Northwest Alberta, and Northeast Alberta.
- Implemented Alberta's Five-Point Child Care Investment Plan to strengthen the ability of families to care for their children by:
  - helping low and middle-income families afford child care;
  - providing new supports to stay-at-home parents;
  - helping families of children with disabilities access specialized care;
  - increasing wages and training opportunities for child care professionals; and
  - providing parents with more information, resources and early intervention opportunities.
- Accredited 92 of 558 licensed day care centres and contracted family day home agencies.
- Supported youth in transition to achieve healthy, promising and successful adulthoods by:
  - Conducting 25 youth forums with approximately 1,950 youth participants who addressed a wide range of issues and needs while transitioning to adulthood, such as learning, employment and mentoring.

  - Developing guidelines for supporting successful transitions for children and youth to provide child and youth serving agencies and authorities with practical, research-based advice on how to effectively support children and youth during different transition stages.
  - Conducting the Youth Emergency Shelter Review to establish a common definition of youth emergency shelters, consult with operators about issues and develop a youth emergency shelter inventory. Operators were provided with a questionnaire to collect youth profiles, including occupancy, program and service use, funding sources and staff qualifications.

- Supported children and youth in care to pursue educational and career training opportunities by promoting access to the *Advancing Futures* bursary program. This includes:
  - Assisting 484 youth between the ages of 16 and 22 years who had been or continue to be in the care of Children's Services. *Advancing Futures* gave them the opportunity to work towards obtaining high school equivalency, earning a degree, learning a trade and/or earning a license or certificate.
  - Sponsoring 10 bursary recipients studying in the fields of psychology, sociology, social work and education to attend the 2005 World Conference on the Prevention of Family Violence.

- Supported 28 Métis individuals through the Métis and non-status bursary program in pursuing social service education. Of the 28 students, 27 were in a social work degree or diploma program, and one was in a child and youth care degree program.

- Addressed preventive service needs for children, youth and families affected by FASD by working across ministries with community partners. This included:
  - Sharing successes and findings from the 11 FASD demonstration projects. These are detailed in the FASD biannual newsletter, presentations at annual provincial FASD conferences, national conferences and international conferences, including the biennial Canada Northwest FASD Partnership conference.
  - Ensuring co-ordination and collaboration of government FASD programs, services and resources by providing ongoing leadership and support to partnering provincial ministries through the FASD cross-ministry committee.
  - Hosting the 2006 FASD Conference to provide an opportunity for more than 500 delegates to better understand Alberta's effective FASD practices and programs.

- Initiated a review of FCSS that focused on program mandate and co-ordination; program and service duplication and gaps; and partnerships between FCSS, CFSAs and other community-based preventive social service resources. This process was chaired by George Rogers, MLA for Leduc-Beaumont-Devon.
- Worked with CFSAs to establish 10 Youth Networks across Alberta to engage youth in their communities and support their future growth and success.
- Reviewed and proposed revisions to the *Partnership Agreement: Supporting Career Transitioning for Youth Involved with Intervention Services* between the Alberta ministries of Children's Services, Human Resources and Employment, Education and Advanced Education. This agreement is intended to strengthen and reinforce the cross-ministry commitment to ensure youth involved with Alberta's intervention services have access to programs, services and supports to help them successfully plan and prepare for employment and careers.
- Continued implementing initiatives under the new *Family Support for Children with Disabilities Act*, including:
  - Completing an evaluation assessing implementation of the Family Support for Children with Disabilities (FSCD) legislation. Results indicated significant stakeholder engagement contributed to successful implementation. Stakeholders included families, CFSA CEOs, regional staff, the Provincial Stakeholder Advisory Committee and the Provincial Parent Advisory Committee.
  - Implementing a quality assurance model for the FSCD program to ensure it is meeting its legislated mandate and regulatory requirements. Key components include:
    - assessing the satisfaction level of the families in the program and identifying service concerns through a biennial survey;
    - ensuring the program meets requirements under the legislation and regulations through a file review process; and
    - holding regular meetings with the Parent Advisory Committee, Stakeholder Advisory Committee and FSCD Table (regional staff representatives) as forums to address emerging service-delivery issues and needs.
  - Continuing to offer a forum for identifying priority issues facing families, as well as providing FSCD program advice on policy and practice issues through parent and stakeholder advisory committees.

  - Promoting awareness of services accessible through the Child Disability Resource Link and meeting the 10 per cent targeted increase in use. Information materials were distributed to MLAs, hospitals, health care providers, child care centres, Parent Link Centres and other agencies serving the target audience. Announcements were placed in community newspapers and parenting publications. More than 1,700 calls were processed, a 30 per cent increase over last year.

- Registered 62 municipalities and 375 agencies to use the Making a Difference (MAD) outcome evaluation system through the Canadian Outcomes Research Institute. This represents 70 per cent of the province's population.

Outcomes and Performance Measures

OUTCOME(S):

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy.
- Children and youth meet individual developmental milestones.

PERFORMANCE MEASURE:

Percentage of expenditures in the children/youth project and service category of Family and Community Support Services

The Ministry, participating municipalities and Métis Settlements jointly fund preventive social programs through FCSS. These projects and services provide a strong network of support to assist Alberta's children and families before they need crisis intervention. FCSS enhances community support through the move to a family enhancement model of child intervention services.

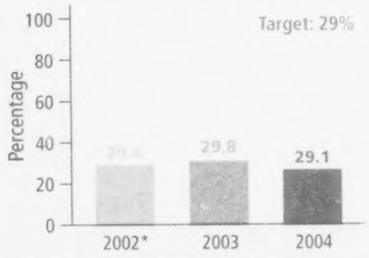
Each year, participating municipalities and Métis Settlements must submit reports with financial information and a list of projects and services receiving funding. Projects are identified within numerous service categories including children/youth, adults/families, seniors, and community development. The FCSS Regulation requires participating municipalities to submit these reports to the ministry within 120 days (or four months) of the end of the municipality's fiscal year. Municipalities were required to submit 2004 Annual FCSS Program Reports by April 30, 2005. Information for this measure is therefore based on data collected in 2004.

During the reporting period, a total of 298 municipalities and Métis Settlements, organized into 199 programs, provided FCSS services throughout Alberta. Data contained in this report is based on information received from 198 of the 199 programs.

The one community that is not included received nominal funding and did not impact numbers reported for this measure.

The projects and services category for children and youth received 29.1 per cent of the expenditures (Category A, Section 2 of the Annual FCSS Program Report). This result met the 2005-06 target of 29 per cent. Local autonomy is a key FCSS program principle. Because each participating municipality or Métis Settlement determines how its funding is best allocated to serve community needs, some fluctuation in meeting the projected target is expected. The result represents expenditures of slightly less than $26 million in the children/youth category in 2004. Total expenditures reported in all FCSS projects and service categories slightly exceeded $88.7 million.

Percentage of expenditures in the children/youth project and service category of FCSS



*Results for 2002 is re-stated to reflect one decimal place. It was reported as a rounded percentage of 29% in Alberta Children's Services 2003-2004 Annual Report.

Data Source:
Annual FCSS Program Reports,
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of licensed day care centres and contracted family day home agencies that are accredited.

Accreditation is a voluntary process that objectively assesses child care programs that meet child care standards of excellence. Accreditation standards of excellence promote a child's early growth and development by helping families select the best child care for their children to ensure positive outcomes. Programs that have successfully gone through an accreditation process:

- support children's optimal development;
- provide practitioners with the tools they need to support and maintain high quality services; and
- provide families with the information they need to select high quality care for their children.

This measure describes the proportion of licensed day care centres and contracted family day home agencies that were accredited as of March 31, 2006.[2]

In 2005-06, 16.5 per cent, or 92 of 558, licensed day care centres and contracted family day home agencies met the child care standards of excellence and were officially accredited. The 20 per cent target for this measure was not met. With this being the first operational year for accreditation, the length of time to complete the process was the main variable that contributed to fewer child care programs becoming accredited.

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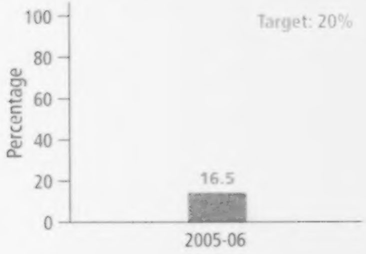
[2] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology.

Percentage of licensed day care centres and contracted family day home agencies that are accredited



Data Source:
Child Care Information System (CCIS), Alberta Children's Services, and, accreditation certificates from the Alberta Association for Accreditation of Early Learning and Care Services

CORE BUSINESS **TWO**

FAMILIES SAFE AND PROTECTED

GOAL 2 Families will be safe, healthy, and able to promote children's development

Strategies:

- Implement a co-ordinated provincial response to family violence and bullying with strengthened culturally-sensitive, community-based services, resources and supports for children and other family members who witness or are victims of family violence and bullying. Improve the availability and access to women's shelters.
- Work with other ministries and community partners to develop a seamless continuum of support to help preserve families and their ability to nurture their children's well-being and development.
- Building on the work of the Alberta Response Model, continue implementing, assessing and refining strategies and responses to improve community-based early intervention capacity to assist families overcome at-risk circumstances and care for their own children.
- Develop Ministry guidelines and cross-ministry resources in collaboration with other ministries and government agencies to improve the supports provided for children, youth and families who are experiencing serious substance abuse.

Accomplishments:

- Implemented a provincial response to family violence and bullying that includes culturally-sensitive, community-based services for impacted children and family members, as well as improved accessibility to, and availability of, women's shelters. This involved:
  - Conducting an Alberta-wide public awareness survey to establish baseline public knowledge and attitudes toward family violence and bullying so that changes over time can be assessed. The survey occurred in October 2005.
  - Implementing, in partnership with the Alberta Council of Women's Shelters, the 2005 Prevention of Family Violence Month public awareness campaign. This included development of a website and campaign materials.
  - Developing and distributing the Family Violence Prevention Community Resource Guide in November 2005 to encourage communities to take action on family violence and bullying.
  - Initiating a women's shelter program review to look at ways to improve services and supports available to families needing safe refuge from family violence.
  - Launching the first phase of a bullying prevention awareness campaign for children ages three to 11. The

initiative includes an interactive website that teaches young children how to deal with bullying situations, and a website for adults that provides resources and tips, as well as a comic book, poster and fact sheets. The S-Team Heroes website received nearly one million visits.

  - Implementing the Taking Action on Bullying pilot project with six Parent Link Centres and partner schools to reduce bullying by teaching parents and school staff the skills and knowledge they need to identify the signs of bullying and teach children the skills they need to address bullying.
  - Providing the Roots of Empathy training program with new program funding. This involved focusing on expansion in Edmonton and Northern Alberta, as well as maintaining Alberta's 199 existing programs.

- Partnered with other ministries and community agencies to develop a continuum of resources to help preserve families and their ability to nurture their children's well-being and development. This involved:
  - Developing a prevention of sexual violence strategy for the province as a whole.
  - Working to establish a partnership with Microsoft Canada to develop and implement strategies that will prevent the sexual exploitation of children and youth through the Internet.
  - Hosting the "Protecting Futures, Creating Hope" symposium in November 2005. Stakeholders came together to share best practices and help develop future strategies to combat child and youth sexual exploitation. A report for delegates identifies issues brought up at the symposium and indicates current and future initiatives to address these issues.
  - Improving community-based intervention capacity using videoconferencing technology. Videoconferencing was piloted in the North Central Alberta CFSA in partnership with the Child and Adolescent Services Association. It provides children and their families, particularly those in rural and remote areas, access to specialists and other professionals. There are currently 19 operational sites throughout Alberta.
- Achieved a significant increase in family enhancement case files, reflecting more children supported through the Family Enhancement program over the 2005-06 period.
- Completed an evaluation on implementation of the ARM. The evaluation measured and reported on the progress made on implementing three key components: assessment, permanency planning and community engagement.

- Supported the Alberta Crystal Methamphetamine Task Force by conducting youth consultations in Edmonton, Red Deer, Cold Lake and Calgary. Approximately 90 youth provided the task force with feedback through discussion on substance abuse and conquering the growing prevalence of crystal methamphetamine. Consultations showed support to encourage healthy youth development through environments that promote acceptance, celebration of diversity and a positive sense of belonging.
- The *Drug Endangered Children Act* (DECA) and the *Protection Against Family Violence Amendment Act* (PAFVA) received Royal Assent March 23, 2006.
    - The *Drug Endangered Children Act* is the first legislation of its kind in Canada, protecting children exposed to serious drug activity, such as manufacturing and trafficking.
    - The *Protection Against Family Violence Amendment Act* will better protect stalking victims and vulnerable family members, such as seniors and individuals with disabilities. Alberta is only the second jurisdiction in Canada to make this provision.

Outcomes & Performance Measures

OUTCOME(S):

- Children, youth and families overcome at-risk circumstances.
- Children, youth and families are safe, healthy, resilient and self-reliant.

PERFORMANCE MEASURE:

Percentage of adults staying at government-funded women's emergency shelters who report they are better able to keep themselves and the children under their care safer from abuse

As part of its commitment to make a difference for families at risk, the Ministry addresses family violence by funding women's emergency shelters to help families overcome their circumstances and become safe, healthy and self-reliant. These facilities provide a temporary safe place for family violence victims as well as services to help victims in the future.

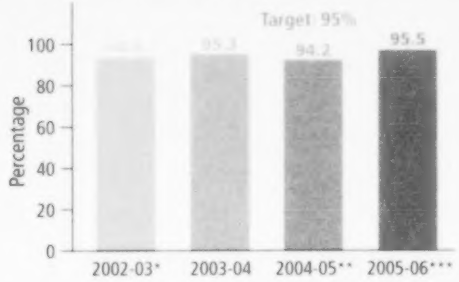
This measure helps indicate the extent to which shelter services have reduced the vulnerability of the women and/or their children who were shelter residents to future risks of abuse. The measure is based on an exit survey[1] of women who have stayed at shelters, alone or with dependents. The 2005-06 performance measure result is calculated on the basis of the exit survey conducted between April 1, 2005 and March 31, 2006 inclusive.

This year, 23 of the 28 government-funded women's shelters were included in the reporting of this measure. Five shelters were excluded from this year's reporting, because they administered the survey to adults who were not eligible, resulting in these shelters' data being unusable.

Speaking to this measure, the survey uses the statement, "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse." The result is based on the sum of the responses "strongly agree" and "agree." As indicated in the following chart, of respondents providing a valid response, 95.5 per cent of them strongly agreed or agreed with the statement. The 2005-06 result exceeded the target set for 95 per cent.

This measure demonstrates the significance of shelter services in supporting positive change for recipients during short-term shelter stays. In many cases, women rely on a number of other systems' responses to increase their safety levels. Obtaining justice and social support, as well as assistance with legal issues, also increase safety and stability for women leaving abusive relationships. Co-ordination of these other system responses and resolving related issues are vital considerations in enhancing shelter service delivery.

Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse



* Based on 7 month survey data: September 2002-March 2003

** Representing 18 of 28 government-funded women's emergency shelters

*** Representing 23 or 28 government funded women's emergency shelters.

NOTE:
- 2002-03 and 2003-04 results have been restated to one decimal place
- 2002-03 and 2003-04 target was 75%

Data Source:
Women's Emergency Shelter Outcome Exit Survey
Alberta Children's Services

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[1] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology

GOAL 3

Children in need will be protected and supported by permanent, nurturing relationships

Strategies:

- Continue to implement the new *Child, Youth and Family Enhancement Act* to improve the safety and well-being of children, involve families and children in decision-making, assure quality services to promote children's development, shorten the time children spend in government care, and unite children with their families or other permanent, nurturing homes.
- Complete the recommendations of the Foster Care Review by focusing on the training needs for the children needing permanency. The training focus will be on the foster parents, kinship care providers, adoptive parents and those wishing to seek private guardianship. The new training will be consistently provided throughout the province by our Child and Family Services Authorities, Delegated First Nations Agencies and contracted agencies.
- Increase the number of permanent placements for children coming into care through permanency planning and for those under Permanent Guardianship or Agreement through Supports for Permanency.
- Continue to explore permanency planning options for aboriginal families and youth.
- Continue to develop and implement a quality assurance system to improve the quality, consistency, and accountability of child intervention services across the province and outcomes for children and families.
- Continue to develop and maintain quality assurance mechanisms including the Children's Services Appeal Panels and the Social Care Facility Review Committee.
- Work with partners to develop processes to provide children with legal representation in contentious access and custody challenges, for children who are harmed while in care, and for children in instances where legal representation is appointed by the court in child intervention matters.
- Re-focus preventive and treatment services for the protection of children and youth at risk of, or involved in, prostitution or other forms of sexual exploitation.
- Undertake a review of the *Social Care Facilities Licensing Act* to promote quality of care in social care facilities.
- Ensure intentional and formal transition planning occurs for all youth in care to support their needs and ensure these plans are regularly reviewed.

- Improve access to mentoring programs to help increase the educational attainment of children and youth in care, and ensure service plans are in place to support the needs for a successful transition of youth to adulthood.
- Further develop the role of the Child and Youth Advocate to ensure children in the system are heard and their rights protected.

Accomplishments:

- Developed and field-tested a framework to assess an expanded practice model reflecting the *Child, Youth and Family Enhancement Act*.
- Redesigned foster care training modules for Alberta foster parents and distributed updated copies of the *Foster Parent Handbook* and *Foster Parent Compensation Guide*.
- Increased Permanency Agreement supports for adoptions and private guardianships by 38 per cent over the previous year.
- Continued to strengthen aboriginal family and youth permanency planning options by:
    - Promoting better working relationships to improve outcomes for aboriginal children and youth through ongoing meetings between CFSA CEOs and DFNA directors.
    - Developing and supporting four permanency planning principles to serve as a practice framework. These principles were created through dialogue with DFNAs and CFSAs.
    - Developing a cultural planning template to ensure the importance of preserving aboriginal children's cultural identity and heritage is recognized and reflected in practice.
    - Continuing discussions on permanency planning for Métis children among CFSAs, the Métis Nation of Alberta and the Métis Settlements CFSA. There are currently 13 First Nations initiatives between DFNAs and CFSAs to pursue the best practices of permanency planning.
- Strengthened and implemented a quality assurance system to improve child intervention services and outcomes for children and families. This was accomplished by:
    - Implementing a more rigorous special case review process that includes tracking recommendations until they are implemented.
    - Developing and implementing a multi-year plan for the formal evaluation of programs and priority

initiatives. This will encompass surveying children, youth, and young adults ages 12 to 20 years about services and supports received from the Ministry. Results will be used to improve future policy and program delivery.

- Continued to facilitate delivery of an impartial and independent appeal process through the Appeal Panels to individuals affected by decisions of the directors of Child, Youth and Family Enhancement, Family Support for Children with Disabilities and Social Care Facilities Licensing.

- Consulted with stakeholders on a proposed child care licensing legislation for Alberta. This process was led by Wayne Cao, MLA for Calgary - Fort, champion of the *Social Care Facilities Licensing Act* review.

- Reviewed facility service quality and the manner in which facilities were operated, through the Social Care Facilities Review Committee in accordance with the *Social Care Facilities Review Committee Act*. Findings were reported in the committee's 2004-05 annual report, which was tabled during the fall sitting of the Legislature.

- Continued to implement and assess the pilot projects for working with high-risk youth in Edmonton and Calgary.

- Researched approaches to reducing harm when working with high-risk youth.

- Held the "Protecting Futures, Creating Hope" child and youth sexual exploitation symposium in November 2005. Participant concerns and recommendations were compiled and priority issues identified in a report to delegates. It also indicated actions taken and future strategies.

- Developed recommendations for strategic direction and refinements to the *Protection of Children Involved in Prostitution Act*.

- Developed a mentoring component to the *Advancing Futures* bursary program to ensure youth in care and former youth in care have opportunities to form support networks.

Outcomes & Performance Measures

OUTCOME(S):

- Children and youth in need are protected from further abuse and neglect.

- Children and youth in care are placed in secure and stable environments that allow for the development of lifelong relationships and connection to family, culture and community.

PERFORMANCE MEASURE:

Percentage of children who suffer injury that results in hospitalization or death while receiving child protection services

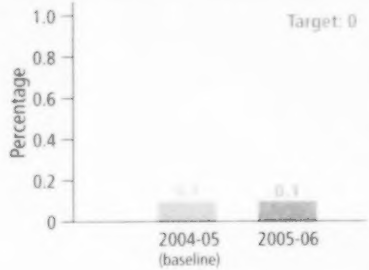
Keeping children protected from harm is a key priority. This measure describes the proportion of children[4] receiving child protective services who experience an injury that results in hospitalization[5] or in death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries). Children receiving child protective services may be in the care of their parents or they may be in the care of the Director.

We want to prevent our children from ever having to suffer from an injury and have set the target for this measure at zero per cent. Unfortunately, regardless of the precautions taken, accidents sometimes happen. While it is unlikely we will ever be able to meet the target, we feel it is important to keep trying.

In 2005-06, 0.1 per cent of children (19 children) suffered an injury that resulted in hospitalization or in death while receiving protective services. As indicated above, the target for this measure is zero. The target was not met, and the result for this measure is the same as last year's. Overall, the results on this measure are lower than those in the general child population in Alberta.[6]

Children and youth in care face the same environmental challenges today as others, including such things as accidents on the playground, depression and falling off bicycles. Factors such as these influence the ability to meet or exceed this target from the previous year's rate.

Percentage of children who suffer injury that results in hospitalization or death while receiving protective services



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

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[4] Children referred to in this measure are 0-17 years of age.

[5] Hospitalization refers to a child receiving medical intervention that required an overnight stay in a hospital.

[6] Compared to statistics gathered from Alberta Health and Wellness.

PERFORMANCE MEASURE:

Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment

Child protection services aim to protect children from abuse and neglect and to work with families and communities to prevent future incidents of child maltreatment.

This measure describes the proportion of children who experience at least one new incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment. For this measure, maltreatment includes a wide range of situations from where parents are unable to provide the necessities of life to cases of physical abuse. Recurrence is measured over a set period of time and is potentially an indication of an ongoing problem, or possible maltreatment, which may signal the need for increased intervention services.

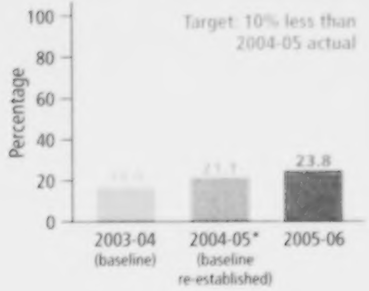
In 2005-06, 23.8 per cent of children experienced a recurrence of maltreatment within 12 months of a previously confirmed incident of child maltreatment.

With the introduction of the *Child, Youth and Family Enhancement Act* in November 2004, the Ministry's casework practice changed. The method used to calculate this measure was revised to reflect these practice changes.[7] Using this revised methodology, results reported in 2004-05 have been recalculated and are restated at 21.1 per cent. The target for this measure is ten per cent less than the 2004-05 actual. Based on the restated 2004-05 result, this is a target of 19.0 per cent, which was not met. The result for this measure is slightly higher than the 2004-05 result.

Changes to legislation and practice may be factors that contributed to higher than anticipated results for this measure. The new legislation redefined neglect and enhanced the definition of emotional injury to include exposure to domestic violence. The increased clarity provided by the act has led to better identification of victimized siblings as neglect and exposure to domestic violence generally impact and effect all children in a family. In 2005-06, there was a substantial increase in incidents of maltreatment due to emotional injury caused by exposure to domestic violence.

For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology.

Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment



*Result restated due to a change in methodology

Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

SUPPLEMENTAL MEASURES

All children have a right to a loving and nurturing home environment and a right to belong to a family.

The *Child, Youth and Family Enhancement Act* places emphasis on finding permanent homes for children who are not able to return to their parent's care by encouraging early planning for adoption or private guardianship.

Although reunification with natural family is always the desired outcome, there are circumstances that prevent this from occurring for some children. This performance measure is an indicator of the ability to place children who are in the permanent care of the Director in stable, long-term, familial adoptive or private guardianship homes. The permanency plan and placement will vary depending upon the age and needs of a child. If a child cannot be safely returned to parental care, a placement with extended family members may be an option. If extended family members are not available or unable, then a possible permanency plan may be adoption by a family who is able to provide the nurturing and guidance required.

This continues to be a priority for the Ministry and is an area in which there have been significant gains.

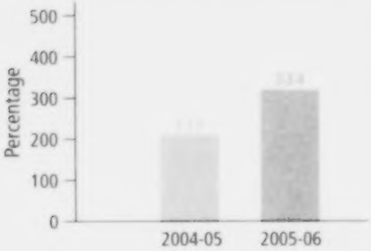
The philosophy of the Ministry is:

- every child should have a permanent loving family;
- there are families in Alberta who are willing to adopt or take private guardianship of children in care; and
- families who provide permanent homes must be well-served and supported.

These performance measures provide the Ministry with information on these two key areas of obtaining permanent, familial homes for children who have been brought into the permanent care of the Director. They provide a benchmark of children placed into permanent adoptive and private guardianship homes on a year-to-year basis.

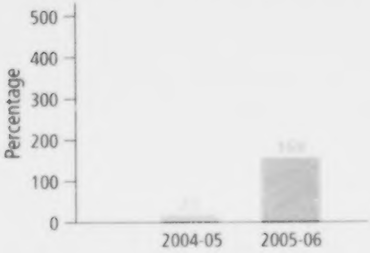
As a result of the positive legislative changes reflected in the *Child, Youth and Family Enhancement Act*, the Ministry has made significant gains with respect to achieving permanency for more children who are in adoptive or private guardianship familial homes.

Number of children in permanent care of the Director who were adopted[8]



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

Number of children in permanent care of the Director, for whom Private Guardianship Orders were granted[9]



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

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[8] The number is the sum total of the file closures as shown in CYIM (for information on CYIM, see Appendix 2: Performance Measures: Data Sources and Methodology) where Reason of Closure is Adoption Order and Primary Legal Authority at closure is Private Guardianship Agreement (PGA) or PGO, covering the period of the full 12 months of a fiscal year.

[9] The number is the sum total of the file closures as shown in CYIM (for information on CYIM, see Appendix 2: Performance Measures: Data Sources and Methodology) where Reason of Closure is Private Guardianshiph Order (PGO) and Primary Legal Authority at closure is Private Guardianship Agreement (PGA) or PGO, covering the period of the full 12 months of a fiscal year.

CORE BUSINESS **THREE**

COMMUNITIES FOR CHILDREN, YOUTH AND FAMILIES

GOAL 4

The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans

Strategies:

- Continue to implement the Ministry's aboriginal policy initiative strategies to address gaps and improve the quality of services designed to meet the needs of aboriginal children, youth and families.
- Strengthen the involvement of First Nations communities in planning for their children through First Nations Designates.
- In collaboration with all the partners, review provincial policies and programs to ensure that they are working towards meeting the needs of First Nations, Métis and other aboriginal communities.
- Develop a province-wide suicide prevention awareness and education campaign targeting aboriginal youth and implement strategies within aboriginal communities to prevent and reduce the incidence of youth suicide.
- Promote and improve access to the Ministry's bursary and mentoring programs to help increase the educational attainment of aboriginal children and youth in care, to support vocational and educational pursuits and contribute to the supports they need for a successful transition to adulthood.
- In collaboration with First Nations representatives, continue to strengthen the accountability framework for *Child, Youth and Family Enhancement Act* agreements that support First Nations communities in the governance, delivery and evaluation of child intervention and permanency planning services for aboriginal children and youth.
- Promote joint planning and action between the Ministry, the Métis Nation of Alberta Association and Métis Settlements General Council respecting equitable participation and involvement of Métis peoples in the programs, policies and standards that affect Métis children.

Accomplishments:

- Established two new aboriginal Parent Link Centres.
- Achieved agreement with Alberta's three treaty area chiefs on a common position for joint presentation to the federal government on accessing federal funding for DFNA programming to prevent family and community situations that require child protection intervention.

- Scheduled regular meetings that are still being conducted with DFNA directors, CFSA CEOs and Métis community representatives to discuss program delivery partnerships to meet the needs of children and families.
- Developed and began implementing a community-based action plan supporting province-wide aboriginal suicide prevention awareness, education and training through each of the three Aboriginal Youth Suicide Prevention Strategy (AYSPS) pilot sites - Lethbridge and area, Eden Valley First Nation and High Prairie Tri-settlements. This included the Ministry's co-leadership in the implementation of the AYSPS as a cross-ministry initiative and the Ministry's support of the aboriginal mentoring pilot project.
- Implemented strategies through the four aboriginal mentoring pilot sites - Paul First Nation, Bent Arrow Traditional Healing Society, Métis Nation of Alberta Region III, and Kainaiwa Children's Services. These involved:
  - improving the mental, emotional, spiritual and physical growth and development of aboriginal children and youth;
  - providing a safe and loving environment for aboriginal children and youth to come together with adults;
  - providing leadership training and opportunities for aboriginal youth; and
  - providing culturally appropriate programming for aboriginal children and youth.
- Addressed DFNA information technology needs through a grant to upgrade computers and provide training to DFNA staff.
- Established an agreement with the Métis Nation of Alberta to promote Métis people's access to government programs. The Métis Settlements CFSA addresses the needs of Métis children and families living on Métis settlements.
- Increased the number of aboriginal children who were adopted by 44 per cent, and the number of aboriginal children for whom private guardianship orders were granted by 82 per cent compared to 2004-05.
- Increased the number of aboriginal kinship care homes by 189.7 per cent.

Outcomes & Performance Measures

OUTCOME(S):

- Aboriginal communities have the capacity to meet the needs of children, youth and families.
- There are a reduced number of aboriginal children represented in the child welfare caseload.
- Aboriginal children, youth and families receive culturally appropriate services.

PERFORMANCE MEASURE:

Percentage of aboriginal children who suffer injury that results in hospitalization or death while receiving protective services

Keeping children protected from harm is a key priority. This measure describes the proportion of aboriginal children[10] receiving child protective services who experience an injury that results in hospitalization[11] or in death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries). Children receiving protective services may be in parental care or may be in the care of the Director.

We want to prevent our children from ever having to suffer from an injury and have set the target for this measure at zero per cent. Unfortunately, regardless of the precautions taken, accidents sometimes happen. While it is unlikely we will ever be able to meet the target, we feel it is important to keep trying.

In 2005-06, 0.2 per cent of aboriginal children (14 children) suffered an injury that resulted in hospitalization or in death while receiving protective services. As indicated above, the target for this measure is zero. The target was not met. The result for this measure is higher than last year's result of 0.1 per cent. Although this result is higher than the rate for all children receiving protective services, it is estimated to be lower than the rate for the general aboriginal child population in Alberta.

Children and youth in care face the same environmental challenges today as others, including such things as accidents on the playground, depression and falling off bicycles. Factors such as these influence the ability to meet or exceed this target from the previous year's rate.

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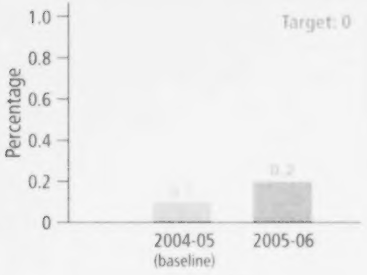
[10] The data source used for this measure provides information on a child's racial origin. Approximately nine per cent of 2005-06 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of aboriginal children. Aboriginal children referred to in this measure are 0-17 years of age.

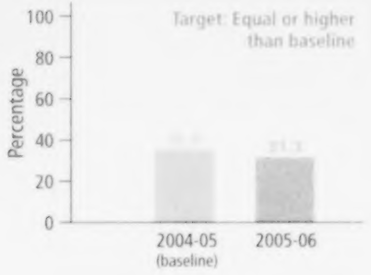
[11] Hospitalization refers to a child receiving medical intervention that required an overnight stay in a hospital.

Percentage of aboriginal children who suffer injury that results in hospitalization or death while receiving protective services



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

Percentage of aboriginal children in foster care who are placed with aboriginal families



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of aboriginal children in foster care who are placed with aboriginal families

This measure addresses the proportion of aboriginal children in foster care who are placed with an aboriginal foster family.[12] The measure looks at the placement of children in foster homes that have a similar cultural background and provides one indicator of achieving the outcome "aboriginal children, youth and families receive culturally appropriate services."

The percentage of aboriginal children in foster care who were placed with aboriginal foster families was 31.3 per cent. The target for this measure is "equal to or higher than baseline." Baseline data was established in 2004-05 at 36 per cent. The target was not met. One influence on the result for this measure is the decline in the number of available aboriginal foster homes by 22 per cent in comparison to last year. In addition, our success in increasing the number of permanent placements for aboriginal children may be a contributing factor to not meeting our target for this measure. In comparison to 2004-05, there was a 44 per cent increase in the number of aboriginal children who were adopted in 2005-06 and an 82 per cent increase in the number of aboriginal children for whom private guardianship orders were granted in 2005-06.

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[12] The data source used for this measure provides information on a child's racial origin. Approximately nine per cent of 2005-06 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of aboriginal children. For this measure, an aboriginal foster care family is determined when either the foster care home is denoted as aboriginal or the care giver's racial origin is identified as aboriginal in the Child Youth Information Module. For approximately 5.6 per cent of the foster homes, it is not known if the foster care family is aboriginal or the non-aboriginal. Therefore, the percentage of aboriginal children in foster care who are placed with aboriginal families may actually be higher than reported. Effective March 2005, enhancements were made to the data source to better capture the racial status of foster home caregivers.

Approved foster care is only one resource available for children who require out-of-home placement. Depending on individual case circumstances, there may be alternatives that would provide culturally appropriate placements. The placement of children in a kinship care home (with relatives or members of the community who have a significant relationship with the child), or an aboriginal group home setting would assist in the cultural development of a child. These types of placements are not presently included in this measure.

SUPPLEMENTAL MEASURE:
Percentage of aboriginal children in foster and kinship care who are placed with aboriginal families.

Changes to legislation that required foster homes to be licensed may have led to more kinship care placements for aboriginal families. The kinship care program appears to be a preferred option for aboriginal families. In fact, the number of aboriginal kinship care homes has increased by 189.7 per cent in comparison to last year. If the above measure, "percentage of aboriginal children in foster care who are placed with aboriginal families," was to include aboriginal kinship care homes in addition to aboriginal foster homes, the result would increase to 35.8 per cent. (Data Source: Child Youth Information Module (CYIM) Alberta Children's Services)

GOAL 5

Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families

Strategies:

- Champion the best interests of children and youth through cross-ministry initiatives, including the Alberta Children and Youth Initiative, Aboriginal Policy Initiative, Leading in Learning and Skilled Workforce Initiative and Health Innovation and Wellness Initiative.
- Promote the capacity and accountability of Child and Family Services Authorities, Family and Community Support Services and aboriginal communities to design, integrate, deliver and assess services for children, youth and families, including support through the Community Partnership Enhancement initiative.
- Develop and enhance the capacity of Child and Family Services Boards to effectively govern the regional authorities.
- Work with partners to provide opportunities for adults to connect with vulnerable children and youth who would benefit from having the support of an adult.
- Collaborate with the Alberta Centre for Child, Family and Community Research, community, ministry and university partners to promote policy-relevant research and best practices to improve outcomes for children, youth, families, and communities.
- Facilitate opportunities for citizens to participate in public forums and discussions to advance the well-being of children, youth and families, including the Children's Forum and Youth Advisory Panel.
- Provide leadership on international, national, and inter-provincial initiatives to promote the safety, well-being and development of children, youth and families including the 2005 World Conference on Family Violence.
- Continue to celebrate and promote the success of Alberta's children and youth through an ongoing provincial recognition program.
- Support the continuing operations of Alberta's Promise, a public-private partnership dedicated to finding new and better ways of working together to give children the opportunity to lead happy, healthy, and successful lives.
- Support community stakeholders to develop and enhance collaborative co-ordinated responses to family violence through the Community Incentive Fund.

Accomplishments:

- Championed the best interests of children and youth through cross-ministry initiatives by:
  - Using videoconferencing to provide four cross-sector training sessions to professionals throughout Alberta's health, education, children's services and justice sectors to deal with needs and issues such as collaboration, engaging families, conflict resolution and evaluating partnerships.
  - Providing leadership, co-ordination and administrative support to the Alberta Children and Youth Initiative.
  - Co-leading nine of 15 ACYI targets. Of these nine targets, five were met and four exceeded. These targets addressed a broad spectrum of child and youth needs and concerns through cross-ministry co-ordinated, collaborative actions, including: prevention of family violence and bullying, prevention of sexual exploitation, and the development of community-based supports for families through Parent Link Centres. Other areas of focus included FASD prevention and education, transition of youth with disabilities to adulthood, innovative service delivery to provide support for children and youth with disabilities and community engagement opportunities for youth throughout the province.
- Evaluated Community Partnership Enhancement Fund (CPEF) investment benefits, resulting in:
  - improved relationships between FCSS & CFSAs and increased knowledge of services and mandates;
  - joint community-oriented initiatives – e.g., community mapping as a process to identify local needs, resources and other socio-economic information;
  - improved communication and collaborative relationships;
  - improved services and programs with better co-ordination and partnerships in understanding needs and meeting them;
  - opportunities for joint training, workshops and other educational forums; and
  - improved understanding of resources and programs available.
- Held the first provincial CFSA board development conference in June 2005.
- Distributed the Community Engagement Framework to all CFSA board members. A number of regions are using this framework as a business planning, event planning and reporting tool. The framework provides an overview of community engagement as a ministry strategy,

approaches to practice and templates to guide and describe community engagement work.

- Achieved an improved international understanding of family violence in aboriginal and indigenous communities as a result of hosting the World Conference on the Prevention of Family Violence. A final report was prepared to summarize what was learned at the conference and identify necessary next steps to move toward taking action.
- Continued supporting youth in transition pilot sites, such as those offered through Big Brothers and Big Sisters organizations. Pilot sites provided an increased number of youth at risk with opportunities to connect with supportive adults.
- Collaborated with organizations throughout Alberta to attract new mentors for the growing number of youth at risk needing mentoring supports.
- Focused on themes of early childhood development, family capacity building, community capacity building and successful transitions for youth through liaison with the Alberta Centre for Child, Family and Community Research. Three new targeted research areas for 2005-06 included:
    - addictions and concurrent disorders, including crystal methamphetamine;
    - prevention of family violence and bullying; and
    - nurturing environments for children in care.

  The centre attracted partnership funding and involved 31 researchers, students, and post-doctoral fellows in completing three evidence reviews: prevention of FASD, interventions for FASD, and family support for children with disabilities.
- Held the "Uniting for Children" forum with approximately 1,200 participants in May 2005. The forum brought parents, youth and service providers together to share experiences and expertise, as well as explore new ways to work together. The forum:
    - offered practical knowledge, tools and resources to raise happy, healthy children;
    - highlighted new and innovative programs and services;
    - enabled youth to discuss issues that affect them; and
    - allowed participants to access information on health, mentoring and advocacy, learning, early childhood development, and parenting.

- Helped the Youth Secretariat plan and hold three Youth Advisory Panel meetings. The 17-member youth panel discussed issues relating to post-secondary education, justice and community involvement. They offered advice to government on how to best address issues facing youth.
- Provided leadership on international, national and interprovincial initiatives to promote safety, well-being and development of children, youth and families. This encompassed the following activities:
  - An agreement by the provincial and territorial ministers and deputy ministers of social services to move forward at a national level on areas of collaboration to address the issue of children and youth sexual exploitation.
  - Holding the World Conference on the Prevention of Family Violence in Banff in October 2006 with approximately 1,200 attendees from 30 countries. Within the themes of knowledge, impact and practice, the conference promoted understanding, transferring knowledge and building on collaborative family violence prevention efforts in both developed and developing countries. The conference was the first of its kind ever endorsed by the World Health Organization. A final report was prepared to summarize what was learned at the conference and identify necessary next steps to move toward taking action.
  - Responding to the United Arab Emirates world conference delegates interested in using Children's Services' programs as models.
  - Helping develop initiatives for children exposed to violence and exploitation, as well as supports for families exposed to violence.
- Acknowledged outstanding young Albertans by celebrating their achievements at the 2006 Great Kids Award in March. Out of 200 nominees, 16 great kids received the award which recognizes five to 18-year-old Albertans who show exceptional generosity, compassion and spirit.
- Funded the expansion of Alberta's Promise partnerships to include 423 organizations working together to direct more resources to benefit Alberta children and youth.
- Provided funding for 130 projects through the Prevention of Family Violence and Bullying Community Incentive Fund. This funding enabled 62 Alberta communities to take action to prevent family violence and bullying.
- Provided support for outreach services, sexual assault centres, public awareness and education, as well as safe visitation and access for families.

- In November 2005, ACYI Deputy Ministers and the Deputy Minister of Gaming approved in principle the FASD cross-ministry strategic plan. The plan articulates provincial directions for FASD services and supports across the lifespan and spectrum of related disabilities, which pertain to relevant ministries.
- As a partner ministry in the cross-ministry aboriginal policy initiative, planned and supported province-wide aboriginal suicide prevention awareness, education and training under the Aboriginal Youth Suicide Prevention Strategy.

Outcomes & Performance Measures

OUTCOME(S):

- Alberta is recognized at the international, national, provincial and community levels for leadership in promoting strong children, families and communities.
- Communities are responsive to the needs, values and cultures of children and their families.
- Children, youth and families participate in decisions that affect them.
- Albertans are involved in addressing issues faced by children, youth and families.

PERFORMANCE MEASURE:

Percentage of children and youth who received family enhancement services and afterwards did not require protective services

This measure addresses the differential response component of the new casework model introduced in conjunction with the proclamation of the *Child, Youth and Family Enhancement Act* in November 2004.

Differential response allows the provision of less disruptive family enhancement services when needs can be satisfied with voluntary, short-term, solution-focused intervention. This intervention approach helps families address concerns while they are more manageable and decreases the likelihood of protective services being needed in the future.

Community referrals, reports and requests for services are the primary way of identifying children who need intervention. During the initial screening, information is gathered to make a preliminary assessment about whether there is a need for intervention, family enhancement or protective services.

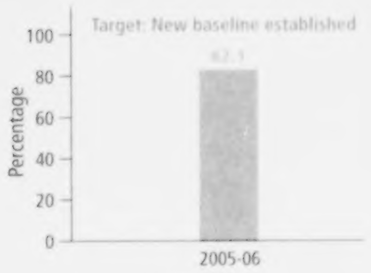
This measure reflects whether family enhancement services adequately meet the intervention concerns described by the families. These concerns may have been identified when a report was made to Children's Services, or at any point during the assessment or delivery of intervention services.

Beginning in 2005-06, this measure is based on all children who had a Family Enhancement (FE) file closure in 2004-05. Using the most recent FE closure date within the fiscal year (a child may have more than one FE closure), it is determined whether these children had a Child Protection (CP) file open within 12 months of the FE closure.[13]

In 2005-06, 82.1 per cent of children receiving family enhancement services did not require more intrusive protective services. As planned, the 2005-06 result establishes a new baseline for this performance measure.

The 2005-06 result shows the Ministry's continued efforts to strengthen assessment capacity to engage children and family in programs and services that best meet needs.

Percentage of children and youth reported to be at-risk who received family enhancement services and afterwards, did not require child protection services



Data Source:
Child Youth Information Module (CYIM),
Alberta Children's Services

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[13] As of 2005-06, the methodology of this performance measure is changed as a result of the information system CYIM enhanced. Based on a different methodology, this measure was also reported on in 2003-04 and 2004-05. In both 2003-04 and 2004-05 the methodology used to determine whether a child required CP services after an FE closure did not use the subsequent 12 months after an FE closure but relied on the same fiscal year for both FE close and CP open. The rationale for this was that the legislation for family enhancement did not come into effect until November 2004 and FE services were still under development. For this same reason, the 2003-04 and 2004-05 results are not restated based on the changed methodology. For more information, see Appendix 2: Performance Measures Data Source and Methodology.

- Developed and implemented quality assurance strategies across the ministry for business planning and accountability processes.
- Piloted a new process to develop regional performance measures.
- Developed a process to engage regions and boards in setting priorities for ministry business plans.
- Established an employee wellness and safety committee to promote and develop activities that encourage a healthy lifestyle as identified in feedback from the May 2005 Employee Wellness Survey.
- Partnered with the Alberta Mental Health Board, as well as the ministries of Environment, Restructuring and Government Efficiency, and Innovation and Science to share resources to support wellness and safety through the Workplace Wellness Partnership.
- Developed, approved and implemented a succession planning framework.
- Established a process to strengthen internal Contract Management Administration System (CMAS) processes, and developed and implemented a new ministry-wide contract policy.
- Established or updated service standards for the *Child, Youth and Family Enhancement Act*.
- Successfully developed and implemented the Capital and Accommodations Request System (CARS) for generating capital budget requests to submit to Alberta Transportation and Infrastructure.
- Drafted an Internal Audit Committee Charter and Audit Team Charter for 2006-07 implementation.
- Conducted ongoing review of internal control best practices for payroll, procurement cards and expense claims. Current processes have been documented and audit samples reviewed. Audit tools such as programs and queries are being created and tested.
- Improved access and services for parents applying for child care subsidies through website improvements. Parents can now apply for the child care subsidy and receive subsidy approval online. In 2005-06, 6,477 online child care subsidy applications were received – 40 per cent of total subsidy applications. The number of online applications continues to grow.
- Established 19 videoconferencing sites throughout Alberta to support Children's Services case management activities, training and meetings.

- Upgraded the adoptions administration application for easier and more secure adoptions profile management.
- Moved the adoptions administration website section to a completely separate environment accessible only by Government of Alberta employees to improve the security of adoption information on the public website.
- Developed an automated computer process to carefully evaluate all content and media on a daily basis on the Ministry's website and intranet. This capacity increases assurance that outdated files are removed and information is kept secure. Access methods were also changed to provide increased usability.
- Created the Ministry Executive Team to improve internal communications by bringing together regional and department management.
- Held department and CFSA annual general meetings to allow staff to hear about the past year's successes and challenges, as well as learn about priorities and goals for the coming year. These events included recognition of excellent ministry work within a fiscal period, as well as awards for government service.
- Implemented strategies to enhance ministry-wide information dissemination such as using the Ministry intranet to provide information on programs that affect ministry and government staff. Regional newsletters were used to provide information to staff and partners about projects and initiatives underway within the regions and communicate information from the department to regional staff.
- Negotiated more longer term agreements with DFNAs.

Results of Operations

The Ministry of Children's Services managed its expenditures within the 2005-06 authorized budget of $837.3 million, ending the year with a surplus of $14.6 million or 1.7 per cent. The Ministry implemented the new Alberta Early Learning and Child Care Program; continued to manage the increased activities resulting from the implementation of the *Child, Youth and Family Enhancement Act* and the *Family Supports for Children with Disabilities Act*; and progressed with improving the continuum of services to produce better results for children, youth and families. The Ministry further provided leadership and actively implemented the strategy for the prevention of family violence and bullying action plan to support individuals, families and governments to work together towards an Alberta free of family violence and bullying.

Revenues

The Ministry of Children's Services consolidated 2005-06 revenue of $309.7 million was $73.4 million higher than in the previous year, primarily due to $70.4 million in federal funding to implement Alberta's Five Point Child Care Investment Plan in 2005-06 and 2006-07.

Expenses

In 2005-06, the Ministry's expenditures totaled $822.7 million. It was the first full fiscal year the *Family Support for Children with Disabilities Act* was implemented, and along with the new services provided within this act, these changes resulted in an increased expenditure of $15.2 million from the previous year. Similarly, this was also the first full fiscal year the *Child, Youth and Family Enhancement Act* was in place, which resulted in increased spending of $11.3 million on child intervention services. Additionally, child care and early intervention expenditures increased by $17.6 million due to the implementation of Alberta's Five Point Child Care Investment Plan. The remaining increases over the prior year were due to minor spending increases in a variety of ministry programs.

Comparison of 2005-06 Budget to 2005-06 Actuals

SUMMARY:

- In 2005-06, Children's Services was provided with an authorized budget of $837.3 million, in order to fund 2005-06 expenditures of $822.7 million, a comparable increase of $58 million over 2004-05 expenditures. The Ministry ended the year with a surplus of $14.6 million, primarily because $35.9 million in Supplementary Estimate funding for the Five Point Child Care Investment Plan program was provided later than initially planned. This delayed enhancements to child care subsidies and the implementation of new initiatives.

The following are explanations of the major program variances:

Child Care – The original budget was increased by $35.9 million to provide for the implementation of Alberta's Five Point Child Care Investment Plan. However, the Supplementary Estimate funding was approved late in the fiscal year, delaying start-up for the child care subsidy enhancements and the implementation of new initiatives such as the stay-at-home parents program. As a result, the child care budget was under spent by $27.1 million.

Early Intervention – $6.5 million of early intervention program funds were used to offset funding pressures in other programs such as parenting resource initiatives.

Most early intervention services are now provided under the Child Intervention Program.

Fetal Alcohol Spectrum Disorder Initiatives – Because of a delay in the planned consultation process on the government-wide FASD strategic plan, this program spent $0.7 million (12.4%) less than budgeted. The unspent funds were used to offset funding pressures in other programs such as Youth in Transition.

Youth in Transition – This program spent an additional $0.6 million (14.1%) to accommodate an increase in the number of qualified Advancing Futures bursary applicants. The Advancing Futures bursary program provides financial support to youth who are, or have been, in government care so that they can further their education and successfully transition into adulthood.

Child Intervention Services – Under the *Child, Youth and Family Enhancement Act*, proclaimed November 1, 2004, the child intervention services program is split into two streams: family enhancement and child protective services. Family enhancement services include early intervention and support provided to assist the family in adequately caring for the child. Protection is defined specifically to include those services provided to a family when their child has entered out-of-home care or when the child is the subject of a supervision order.

The child intervention services program spent $9.4 million (2.3%) extra due to increased caseloads in the supports for permanency and family enhancement programs because 2005-06 was the first full fiscal year the *Child, Youth and Family Enhancement Act* was in place.

Family Support for Children with Disabilities – The *Family Support for Children with Disabilities Act* ensures greater consistency in families' access to support and services across the province and it recognizes and respects the ability and responsibility of families as the primary source of care and support for their child.

The FSCD program provides a range of services to strengthen a family's ability to promote their child's growth and development while enabling them to care for their child at home. The program assists with some of the extraordinary costs of raising a child with a disability. Due to an increase in the active number of agreements and a higher cost per case, the program spent $6.1 million more than budgeted, for a total expenditure of $88.9 million.

Support Services – Support services includes:

- Ministry support – consisting of the offices of the Minister, the Deputy Minister, and the Assistant Deputy Ministers as well as Communications, Legal Services, Financial Strategies, Human Resources Management, Business Services, Business Strategies, and Information Strategies.
- Program support – covering the delivery, co-ordination and monitoring of the ministry's programs, including support services to CFSAs, by offering guidance and expertise in accountability and program delivery.

  Ministry and Program Support Services spent $0.9 million (1.6%) over budget, primarily due to additional manpower costs.

- Amortization and Purchase of Capital Assets – Capital expenses increased as a result of $2.5 million in Supplementary Estimate funding received to purchase equipment and information systems to support program delivery under the *Child, Youth and Family Enhancement Act*, the *Family Support for Children with Disabilities Act* and Alberta's Five Point Child Care Investment Plan. This also resulted in spending of $1.3 million (46.4%) over budget for capital expenses, which led to an additional $0.4 million (35.6%) in amortization costs.

Comparison of 2005-06 Expenses by Core Business

Core Business	2005-06 Authorized Budget ($000)	2005-06 Actuals ($000)	2004-05 Actuals (comparable) ($000)
1. Promoting the development and well-being of children, youth and families.	344,788	319,815	281,596
2. Keeping children, youth and families safe and protected	413,726	420,184	408,118
3. Promoting healthy communities for children, youth and families.	15,640	14,348	11,431
TOTAL MINISTRY EXPENSE ***	**774,154**	**754,347**	**701,145**

*** The amounts do not include Ministry or program support expenditures

Comparison of 2005-06 Budget to 2005-06 Actuals

- Actual spending for Core Business 1 was $25 million lower than budget, primarily because the Supplementary Estimate funding of $35.9 million for the child care program was provided later than initially planned. As a result, start-ups to enhancements to child care subsidies and the implementation of new initiatives, such as the stay-at-home parents program, were delayed.

- Actual expenses for Core Business 2 were $6.5 million higher than budget, due primarily to higher expenses in the child intervention services program as a result of increased caseloads in the supports for permanency and family enhancement programs.

- Actual spending for Core Business 3 was $1.3 million less than budget due to lower than anticipated manpower costs for the community initiatives program.

Comparison of 2005-06 Actuals to 2004-05 Comparable Actuals

- The increase of $38.2 million in expenses for Core Business 1 is primarily due to higher spending in the child care and family support for children with disabilities programs. Child care expenses were higher because of the implementation of Alberta's new Five Point Child Care Investment Plan and an increase in the number of child care service providers that participated in the child care accreditation program. Expenses for the family support for children with disabilities program were higher due to increased caseloads and higher costs per case.

- The increase of $12.1 million in expenses for Core Business 2 is a result of increased spending in the child intervention services program, because of increased caseloads in the supports for permanency and family enhancement programs.
- The increase of $2.9 million in expenses for Core Business 3 is a result of increased spending on the child and family research and community initiatives programs. The child and family research program expenses were higher as more funding was provided to support research activities. The community initiatives program expenses increased to provide for additional manpower and inflationary costs.

LOOKING FORWARD

As we look to the future, a number of key priorities will continue to strengthen ministry support and services for children, youth and families.

We will continue working with our community partners to prevent child and youth sexual exploitation. Planned strategies include refining and implementing prevention and treatment for high risk youth and youth involved in prostitution. Strategies also include working with stakeholders, including Internet providers, to develop and enhance programs to prevent the sexual exploitation of children and youth through prostitution, Internet luring and child pornography.

Seeking youth input to ensure their needs are met will continue to be a priority. Identifying and pursuing options that ensure necessary support is available to help youth in care successfully transition to independent adulthood will continue to be a major focus. Efforts will be made to keep supports available for youth until age 22.

In response to feedback indicating different interpretations of the new *Child, Youth and Family Enhancement Act*, full implementation will include developing and putting into practice a new casework practice model. This will provide a framework that focuses on a common approach to casework practice. It is intended to provide staff with increased casework process clarity and identify supports to effectively meet the needs of Alberta children and families.

With the support of our aboriginal partners, improving permanency planning options for aboriginal children will remain a priority. The department has committed to increasing the number of permanent placements for aboriginal children in care and will develop recommendations as follow up to a recent review.

As a continuation of 2005-06 work, and in response to emerging social changes, a number of family violence and bullying strategies will be pursued. These include research and consultation on approaches to address cyber-bullying, as well as hosting a policy forum for experts to determine steps to follow up the World Conference on the Prevention of Family Violence. Preparing changes to the *Protection Against Family Violence Act* to meet emerging needs remains a priority.

Preparing to implement the *Drug Endangered Children Act* also continues to be a focus of the ministry. Emphasis will be placed on ensuring Children's Services' staff, law enforcement and justice system officials are familiar with the new legislation.

Ensuring Albertans have quality and choice in child care continues to be a ministry guiding objective. We will make adjustments as necessary to promote a long-term plan that ensures appropriate child care options. Ongoing work with the federal and provincial governments will determine appropriate courses of action that meet the needs of all Alberta families.

The ministry continues to pursue opportunities for continued improvement. We anticipate seeing results and responding to information from review initiatives on FCSS and women's shelters. As a result of the ongoing *Social Care Facilities Licensing Act* review, we also look forward to introducing a new child care licensing act for Alberta in spring 2007. This act recognizes the importance placed on quality care for children in our province.

FINANCIAL INFORMATION

FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2006

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AUDITOR
GENERAL
Alberta

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Children's Services as at March 31, 2006 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
June 12, 2006

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget (SCHEDULE 4)	Actual	Actual
Revenues (SCHEDULE 1)			
Transfers from Government of Canada	$ 222,336	$ 263,296	$ 195,885
Internal Government Transfers	34,000	34,000	30,000
Other	8,959	12,355	10,382
	265,295	309,651	236,267
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 7)			
Voted (SCHEDULES 3, 4, AND 5)			
Promoting the development and well-being of children, youth and families	308,888	319,815	281,596
Keeping children, youth and families safe and protected	413,726	420,184	408,118
Promoting healthy communities for children, youth and families	15,640	14,348	11,431
Support Services	58,859	60,212	58,068
	797,113	814,559	759,213
Statutory (SCHEDULES 3, 4 AND 5)			
Valuation adjustments	1,500	-	-
Doubtful Accounts	-	2,220	(295)
Vacation Pay	-	1,806	1,528
	1,500	4,026	1,233
Total Expenses	798,613	818,585	760,446
Net Operating Results	**$ (533,318)**	**$ (508,934)**	**$ (524,179)**

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

(IN THOUSANDS)

	2006 Actual	2005 Actual
Assets		
Cash	$ 38,158	$ 43,872
Accounts Receivable (NOTE 3)	8,895	7,668
Prepaid Expenses	5,554	-
Advances	414	430
Tangible Capital Assets (NOTE 4)	7,185	4,669
	$ 60,206	**$ 56,639**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	96,214	78,540
	$ 96,214	$ 78,540
Net Assets/(Liabilities)		
Net Assets/(Liabilities) at Beginning of Year	$(21,901)	$ 7,887
Net Operating Results	(508,934)	(524,179)
Net Transfer from General Revenues	494,827	494,391
Net Liabilities at End of Year	(36,008)	(21,901)
	$ 60,206	**$ 56,639**

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions		
Net Operating Results	$ (508,934)	$ (524,179)
Non-Cash Items:		
Amortization	1,627	1,498
Valuation Adjustments (NET)	4,026	1,233
	(503,281)	(521,448)
(Increase) Decrease in Accounts Receivable [a]	(3,447)	6,925
Increase in Prepaid Expenses	(5,554)	-
Decrease (Increase) in Advances	16	(9)
Increase in Accounts Payable [a]	15,868	28,960
Cash Applied to Operating Transactions	(496,398)	(485,572)
Capital Transactions		
Acquisition of Tangible Capital Assets	(4,143)	(1,772)
Cash Applied to Capital Transactions	(4,143)	(1,772)
Financing Transactions		
Net Transfer from General Revenues	494,827	494,391
(Decrease) Increase in Cash	(5,714)	7,047
Cash, Beginning of Year	43,872	36,825
Cash, End of Year	**$ 38,158**	**$ 43,872**

(a) Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these consolidated financial statements.

NOTE 1 | Ministry and Purpose

The Minister of Children's Services has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Ministry consists of the organizations listed below.

ORGANIZATION	LEGISLATION
Department of Alberta Children's Services	*Government Organization Act*
10 Child and Family Services Authorities	*Child and Family Services Authorities Act*

The Ministry is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by the government for all departments.

(a) REPORTING ENTITY

The reporting entity is the Ministry of Children's Services for which the Minister of Children's Services is accountable. The accounts of the Department and the Child and Family Services Authorities are consolidated. Revenue and expense transactions, capital and financing transactions and related assets and liability accounts between entities within the Ministry have been eliminated.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Minister of Finance administers the Fund. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) BASIS OF FINANCIAL REPORTING

The accounts of the organizations listed in Note 1 above have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

Revenues

All revenues are reported on the accrual method of accounting.

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amount can be made. Payments received in excess of the estimated amounts applicable to the fiscal year are included in accounts payable.

Monetary donations received from external sources are recorded as revenue when received.

Government of Canada Transfers

Transfers from the Government of Canada are outside the Government of Alberta reporting entity. The entity making the transfer does not receive any goods or services directly in return.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year;
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities; and

- grants are recognized when authorized and eligibility criteria are met.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 7.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Net Assets/Liabilities

Net assets/liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The actual amount collected could vary significantly from that estimated. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Accounts receivable recorded as $8,895 and accounts payable and accrued liabilities of $96,214 in these financial statements are subject to measurement uncertainty.

NOTE 3 | Accounts Receivable

(in thousands)

	2006 Gross Amount	2006 Allowance for Doubtful Accounts	2006 Net Realizable Value	2005 Net Realizable Value
Accounts Receivable	$ 9,920	$ 2,682	$ 7,238	$ 6,713
Refunds from Suppliers	1,657	-	1,657	955
	$ 11,577	**$ 2,682**	**$ 8,895**	**$ 7,668**

NOTE 4 | Tangible Capital Assets

(in thousands)

	2006 Estimated Useful Life	2006 Cost	2006 Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Vehicles	3 – 5 years	$ 89	$ 84	$ 5	$ 18
Computers/Systems/Equipment	5 – 10 years	22,091	14,911	7,180	4,651
		$ 22,180	**$ 14,995**	**$ 7,185**	**$ 4,669**

New system development is currently amortized over five years based on management's estimate as to the useful lives of specific information systems.

NOTE 5 | Accounts Payable and Accrued Liabilities

(in thousands)

	2006	2005
Trade	$ 36,037	$ 32,334
Government of Canada	31,624	12,054
Grants	8,256	12,422
Accrued Vacation Pay	17,297	20,252
Other	3,000	1,478
	$ 96,214	**$ 78,540**

NOTE 6 | Contractual Obligations

The Ministry contracts with organizations to provide specific programs and services for children under the care of the Ministry. The Ministry has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

At March 31, 2006, the Ministry has the following other contractual obligations:

	IN THOUSANDS	
	2006	2005
Long-term leases [(a)]	$ 2,199	$ 1,922

(a) The Ministry leases certain equipment and vehicles under operating leases that expire at various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 919
2008	$ 672
2009	$ 413
2010	$ 195

NOTE 7 | Contingent Liabilities (in thousands)

At March 31, 2006, the Ministry is a defendant in seventy-six claims (2005 - 82 claims). Seventy-two of these claims have specified amounts totaling $1,230,343 and the remaining four have not specified any amount (2005 - 74 claims with a specified amount of $824,203 and eight with no specified amount).

Included in the total claims are thirty-five claims amounting to $277,824 in which the Ministry has been jointly named with other entities. The Alberta Risk Management Fund covers fifty-one claims amounting to $938,449 (2005 – 51 claims for $644,010).

The resulting loss, if any, from these claims cannot be determined.

NOTE 8 | Trust Funds Under Administration

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Department's financial statements.

At March 31, 2006 the trust fund under administration is as follows:

	2006	2005
Child Resource Rebate Trust Fund	$ 3,131,200	$ -

The Province of Alberta paid a $400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director's care.

Each child's resource rebate may be used for a child's special needs that are over and above those the Ministry provides.

The Director will release the funds to the:

- child's guardian/parent if a special need is identified and they can purchase goods and/or services to benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for two years after the child turns 18. At that time, the Director's obligation to pay the refund lapses.

NOTE 9 | Defined Benefit Plans (in thousands)

The Department participates in multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $12,758 for the year ending March 31, 2006 (2005 - $10,478).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 – $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 - $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of $10,018 (2004 - $9,404).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan had an actuarial surplus of $8,311 (2005 - $3,208). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 11 | Approval of Financial Statements

The Senior Financial Officer and the Deputy Minister approved the financial statements.

REVENUES • SCHEDULE 1

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Transfers from Government of Canada			
Canada Social Transfer	$ 193,876	$ 162,528	$ 163,819
Early Learning and Child Care Trust	-	70,365	-
Services on First Nation Reserves	10,800	11,932	13,858
National Child Special Allowance and Other	17,660	18,471	18,208
	$ 222,336	$ 263,296	$ 195,885
Internal Government Transfers			
Contribution from Lottery Fund	34,000	34,000	30,000
Other Revenue			
Refunds of Expenditure			
First Nation Agencies Recoveries	3,500	3,365	3,701
Other Refunds	5,459	8,990	6,509
Other	-	-	172
	8,959	12,355	10,382
Total Revenues	**$ 265,295**	**$ 309,651**	**$ 236,267**

DEDICATED REVENUE INITIATIVES • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
Services on First Nation Reserves [a]			
Women's Shelters	$ 1,550	$ 3,617	$ 2,067
Child Protection and Other Programs	12,750	11,680	(1,070)
National Child Special Allowance and Other [b]	17,660	18,471	811
	$ 31,960	**$ 33,768**	**$ 1,808**

(a) Services to On-Reserve Status Indians
Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily resident on reserve.

(b) National Child Special Allowance and Other
Monthly benefits received from the Canada Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the Ministry's revenues and expenses.

EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 174,711	$ 183,768	$ 165,527
Supplies and Services	493,703	479,473	452,716
Grants	127,432	148,231	137,400
Supplies and Services from Support Service Arrangements with Related Parties (a)	-	1,153	1,908
Financial Transactions and Other	80	307	164
Amortization of Capital Assets	1,187	1,627	1,498
Valuation Adjustments	1,500	-	-
Vacation Pay	-	1,806	1,528
Doubtful Accounts	-	2,220	(295)
Total Expenses	**$ 798,613**	**$ 818,585**	**$ 760,446**

(a) The Ministry receives human resources, information technology, financial and other administrative support services from the Ministry of Human Resources and Employment and from the Ministry of Seniors and Community Supports.

BUDGET • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

MINISTRY OF CHILDREN'S SERVICES

(IN THOUSANDS)

	2005-2006 Estimates	Adjustments	2005-2006 Budget	Authorized Supplementary [a]	2005-2006 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 222,336	$ -	$ 222,336	$ 70,400	$ 292,736
Internal Government Transfers	34,000	-	34,000	-	34,000
Other	8,959	-	8,959	-	8,959
	265,295	-	265,295	70,400	335,695
Expenses - Directly Incurred:					
Promoting the development and well-being of children, and families	308,888	-	308,888	35,900	344,788
Keeping children, youth and families safe and protected	413,726	-	413,726	-	413,726
Promoting healthy communities for children, youth and families	15,640	-	15,640	-	15,640
Support Services	58,859	-	58,859	-	58,859
Valuation adjustments	1,500	-	1,500	-	1,500
Total Expenses	798,613	-	798,613	35,900	834,513
Net Operating Results	**$ (533,318)**	**$ -**	**$ (533,318)**	**$ 34,500**	**$ (498,818)**
Capital Investments	**$ 300**	**$ -**	**$ 300**	**$ 2,500**	**$ 2,800**

(a) The Government of Canada passed federal government legislation in June 2005 that provided for $70,400 of Early Learning and Child Care program revenue funding to the Province of Alberta. The province authorized the revenue to be given to the Department of Children's Services to support the implementaion of the Department's Early Learning and Child Care Investment Plan.

A Supplementary Estimate to fund $38,400 of expenditures was approved on March 16, 2006.
The Supplementary Estimate included:
Funding of $35,900 for the implementation of Alberta's Early Learning and Child Care Investment Plan.
Funding of $2,500 for equipment/inventory purchases and information systems to support the implementaion of Early Learning and Child Care Investment Plan and to support program delivery under the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*.

COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET • SCHEDULE 5

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

Program	2005-2006 Estimates	Adjustment	2005-2006 Budget	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense	Unexpended (Over Expended)
Voted Expenses and Equipment/Inventory Purchases:							
Promoting the development and well being of children, youth and families							
Child Care	$ 69,517	-	$ 69,517	$ 35,900	$ 105,417	$ 78,279	$ 27,138
Family Supports for Children with Disabilities	82,769	-	82,769	-	82,769	88,893	(6,124)
Family and Community Support Services	65,228	-	65,228	-	65,228	66,135	(907)
Early Intervention	37,934	-	37,934	-	37,934	31,448	6,486
Prevention of Family Violence and Bullying	28,844	-	28,844	-	28,844	29,553	(709)
Parenting Resources Initiative	14,723	-	14,723	-	14,723	15,676	(953)
Fetal Alcohol Spectrum Disorder Initiatives	5,410	-	5,410	-	5,410	4,738	672
Youth in Transition	4,463	-	4,463	-	4,463	5,093	(630)
	308,888	-	308,888	35,900	344,788	319,815	24,973
Keeping children, youth and families safe and protected							
Child Intervention Services	401,789	-	401,789	-	401,789	411,212	(9,423)
Protecting Children from Sexual Exploitation	6,584	-	6,584	-	6,584	5,391	1,193
Child and Youth Advocate	5,353	-	5,353	-	5,353	3,581	1,772
	413,726	-	413,726	-	413,726	420,184	(6,458)
Promoting healthy communities for children, youth and families							
Community Initiatives	12,665	-	12,665	-	12,665	11,434	1,231
Child and Family Research	2,000	-	2,000	-	2,000	2,000	-
Alberta's Promise	975	-	975	-	975	914	61
	15,640	-	15,640	-	15,640	14,348	1,292
Support Services							
Ministry Support	13,085	-	13,085	-	13,085	16,146	(3,061)
Program Support	44,574	-	44,574	-	44,574	42,439	2,135
Amortization of Capital Assets	1,200	-	1,200	-	1,200	1,627	(427)
	58,859	-	58,859	-	58,859	60,212	(1,353)

(IN THOUSANDS)

Program	2005-2006 Estimates	Adjustment	2005-2006 Budget	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense	Unexpended (Over Expended)
Equipment/Inventory Purchases	300	-	300	2,500	2,800	4,143	(1,343)
Total Voted Expenses	797,413	-	797,413	38,400	835,813	818,702	17,111
Statuory:							
Valuation Adjustment	1,500	-	1,500	-	1,500	4,026	(2,526)
Total Expenses	**$ 798,913**	**$ -**	**$ 798,913**	**$ 38,400**	**$ 837,313**	**$ 822,728**	**$ 14,585**

(a) Estimates were approved June 2, 2005.

The Supplementary Estimate was approved on March 16, 2006.
Supplementary Estimate of $38,400 included:
Funding of $35,900 for the implementation of Alberta's Early Learning and Child Care Investment Plan.
Funding of $2,500 for equipment/inventory purchases and information systems to support the implementation of the Early Learning and Child Care Investment Plan and to support program delivery under the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*.

RELATED PARTY TRANSACTIONS • SCHEDULE 6

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)	
	2006	2005
Revenues:		
Internal Government Transfers		
Ministry of Gaming	$ 34,000	$ 30,000
Other Revenue		
Ministry of Education - School Divisions	2,514	-
Ministry of Seniors and Community Supports	19	135
Ministry of Human Resources and Employment	-	200
Other Ministries	29	6
	$ 36,562	**$ 30,341**
Expenses:		
Ministry of Restructuring and Government Efficiency	$ 16,931	$ 17,635
Ministry of Finance	851	775
Ministry of Human Resources and Employment	119	3
Ministry of Health and Wellness	100	-
Ministry of Executive Council	13	544
Ministry of Infrastructure and Transportation	12	9
Ministry of Seniors and Community Supports	5	28
Ministry of Health and Wellness - Health Authorities	2,167	-
Ministry of Education - School Divisions	5,094	-
Ministry of Advanced Education - Post Secondary	192	-
	$ 25,484	**$ 18,994**
Receivable from/(Payable to):		
Ministry of Seniors and Community Supports	$ 80	$ (15)
Ministry of Human Resources and Employment	(99)	30
Ministry of Health and Wellness	39	-
Ministry of Health and Wellness - Health Authorities	(21)	-
Ministry of Innovation and Science	43	-
Ministry of Education - School Divisions	476	-
	$ 518	**$ 15**

The transactions on the previous page do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged.

The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements, but are disclosed in Schedule 7.

	(IN THOUSANDS)	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 19,584	$ 18,624
Legal Services	3,510	2,474
Internal Audit	445	-
Air Transportation	22	-
	$ 23,561	**$ 21,098**

ALLOCATED COSTS • SCHEDULE 7

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006								2005
		Expenses – Incurred by Others				Valuation Adjustments[4]			
Program	Expenses [1]	Accommodation Costs [2]	Legal Services [3]	Internal Audit	Air Transportation	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Promoting the development and well-being of children, youth and families	$ 319,815	$ 1,090	$ -	$ 355	$ -	$ 101	$ -	$ 321,362	$ 204,828
Keeping children, youth and families safe and protected	420,184	16,181	3,510	45	-	1,491	2,220	443,631	501,160
Promoting healthy communities for children, youth and families	14,348	528	-	-	-	49	-	14,924	12,976
Support Services	60,212	1,785	-	45	22	165	-	62,229	62,580
	$ 814,559	$ 19,584	$ 3,510	$ 445	$ 22	$ 1,806	$ 2,220	$ 842,146	$ 781,544

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure and Transportation, represent the Ministry's buildings costs allocated by the number of Ministry employees per program.

(3) Costs for Legal Services, which were paid by the Ministry of Justice, were allocated in proportion to the expenses incurred by each program.

(4) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.

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AUDITOR GENERAL
Alberta

To the Minister of Children's Services

I have audited the statement of financial position of the Department of Children's Services as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
June 12, 2006

STATEMENT OF OPERATIONS

DEPARTMENT OF CHILDREN'S SERVICES

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget (SCHEDULE 4)	Actual	Actual
Revenues (SCHEDULE 1)			
Transfers from Government of Canada	$ 222,336	$ 263,296	$ 195,885
Internal Government Transfers	34,000	34,000	30,000
Other	5,500	7,509	5,316
	261,836	304,805	231,201
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 8)			
Voted (SCHEDULES 3, 4 AND 5)			
Ministry Support Services	13,085	14,132	11,290
Provincial Programs	98,887	94,749	94,178
Regional Services	681,682	701,671	654,293
	793,654	810,552	759,761
Statutory (SCHEDULES 3, 4 AND 5)			
Valuation Adjustments	1,500	-	-
Doubtful Accounts	-	2,151	(316)
Vacation Pay	-	609	370
	1,500	2,760	54
Total Expenses	795,154	813,312	759,815
Net Operating Results	**$ (533,318)**	**$(508,507)**	**$ (528,614)**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

DEPARTMENT OF CHILDREN'S SERVICES

	2006 (IN THOUSANDS)	2005
Assets		
Cash	$ 3,607	$ 1,467
Accounts Receivable (NOTE 3)	8,795	8,009
Advances	409	411
Tangible Capital Assets (NOTE 4)	6,848	4,317
	$ 19,659	**$ 14,204**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 75,140	$ 56,005
Net Liabilities		
Net Liabilities at Beginning of Year	(41,801)	(7,578)
Net Operating Results	(508,507)	(528,614)
Net Transfer from General Revenues	494,827	494,391
Net Liabilities at End of Year	(55,481)	(41,801)
	$ 19,659	**$ 14,204**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions		
Net Operating Results	$ (508,507)	$ (528,614)
Non-Cash Items:		
Amortization	1,549	1,452
Valuation Adjustments (NET)	2,760	54
	(504,198)	(527,108)
(Increase) Decrease in Accounts Receivable [a]	(2,937)	4,689
Decrease in Advances	2	1
Increase in Accounts Payable and Accrued Liabilities [a]	18,525	30,778
Cash Applied to Operating Transactions	(488,608)	(491,640)
Capital Transactions		
Cash Applied to Acquisition of Tangible Capital Assets	(4,079)	(1,455)
Financing Transactions		
Net Transfer from General Revenues	494,827	494,391
Increase in Cash	2,140	1,296
Cash, Beginning of Year	1,467	171
Cash, End of Year	**$ 3,607**	**$ 1,467**

(a) Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Department of Children's Services operates under the authority of the *Government Organization Act,* Chapter G-10, Revised Statutes of Alberta 2000.

The Department is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by the government for all departments.

(a) REPORTING ENTITY

The reporting entity is the Department of Children's Services, which is part of the Ministry of Children's Services and for which the Minister of Children's Services is accountable. Ten regional provincial agencies, known as Child and Family Services Authorities, also report to the Minister. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual method of accounting.

Transfers from Government of Canada

Transfers from the Government of Canada are outside the Government of Alberta reporting entity. The entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amount can be made. Payments received in excess of the estimated amounts applicable to the fiscal year are included in accounts payable.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- Amortization of tangible capital assets.
- Pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized when authorized and eligibility criteria are met.

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Net Liabilities

Net liabilities represent the difference between the value of assets held by the Department and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information. Accounts receivable recorded as $8,795 and accounts payable and accrued liabilities of $75,140 in these financial statements, are subject to measurement uncertainty.

NOTE 3 | Accounts Receivable

(IN THOUSANDS)

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 10,981	$ 2,682	$ 8,299	$ 7,891
Refunds from Suppliers	496	-	496	118
	$ 11,477	**$ 2,682**	**$ 8,795**	**$ 8,009**

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 | Tangible Capital Assets

(IN THOUSANDS)

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers/ Hardware and Software	5 years	**$ 21,680**	**$ 14,832**	**$ 6,848**	**$ 4,317**

New system development and enhancements are currently amortized over five years based on management estimates as to the useful lives of specific information systems.

NOTE 5 | Accounts Payable and Accrued Liabilities

(IN THOUSANDS)

	2006	2005
Child and Family Services Authorities	$ 19,977	$ 17,298
Trade	9,940	12,789
Government of Canada	31,624	12,054
Grants	8,256	7,860
Vacation Pay and Manpower	4,841	3,932
Other	502	2,072
	$ 75,140	**$ 56,005**

NOTE 6 | Contractual Obligations

The Department contracts with organizations to provide specific programs and services for children under the care of the Department. The Department has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

At March 31, 2006, the Department has the following other contractual obligations:

	IN THOUSANDS 2006	2005
Long-term leases	$ 151	$ 171

The Department leases certain equipment and vehicles under operating leases that expire at various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 75
2008	$ 43
2009	$ 23
2010	$ 10

NOTE 7 | Contingent Liabilities (in thousands)

At March 31, 2006, the Department is a defendant in fifty-one legal claims (2005 - 60 legal claims). Fifty of these claims have specified amounts totaling $1,081,274 and the remaining one does not have a specified amount (2005 - 56 claims with a specified amount of $677,267 and four with no specified amount).

Included in the total legal claims are 26 claims amounting to $144,698 in which the Department has been jointly named with other entities. The Alberta Risk Management Fund covers thirty-three claims amounting to $794,930 (2005 - 43 claims amounting to $521,390).

The resulting loss, if any, from these claims cannot be determined.

NOTE 8 | Trust Funds Under Administration

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Department's financial statements.

At March 31, 2006 the trust fund under administration is as follows:

	IN THOUSANDS 2006	2005
Child Resource Rebate Trust Fund	$ 3,131,200	$ -

The Province of Alberta paid a $400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director's care.

Each child's resource rebate may be used for a child's special needs that are over and above those that the Ministry provides.

The Director will release the funds to the:

- child's guardian/parent if a special need is identified and they can purchase goods and/or services to benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for two years after the child turns 18. At that time, the Director's obligation to pay the refund lapses.

NOTE 9 | Defined Benefit Plans (in thousands)

The Department participates in multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $3,503 for the year ending March 31, 2006 (2005 - $2,366).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 – $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 - $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of $10,018 (2004 - $9,404).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan had an actuarial surplus of $8,311 (2005 - $3,208). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 11 | Approval of Financial Statements

The Senior Financial Officer and the Deputy Minister approved the financial statements.

REVENUES • SCHEDULE 1

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Transfers from Government of Canada			
Canada Social Transfer	$ 193,876	$ 162,528	$ 163,819
Early Learning and Childcare	-	70,365	-
Services on First Nation Reserves	10,800	11,932	13,858
National Child Special Allowance and Other	17,660	18,471	18,208
	222,336	263,296	195,885
Internal Government Transfers			
Contribution from Lottery Fund	34,000	34,000	30,000
Other Revenue			
Refunds of Expenditure	5,500	-	-
First Nations Agencies Recoveries	-	3,365	3,701
Other Refunds	-	3,191	1,442
Other	-	953	173
	5,500	7,509	5,316
Total Revenues	**$ 261,836**	**$ 304,805**	**$ 231,201**

DEDICATED REVENUE INITIATIVES • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
Services on First Nation Reserves [a]			
Women's Shelters	$ 1,550	$ 3,617	$ 2,067
Child Protection and Other Programs	12,750	11,680	(1,070)
National Child Special Allowance and Other [b]	17,660	18,471	811
	$ 31,960	**$ 33,768**	**$ 1,808**

(a) Services on First Nation Reserves
Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily resident on a reserve.

(b) National Child Special Allowance and Other
Monthly benefits received from the Canada Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the Department's revenue and expenses.

EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Voted:			
Salaries, Wages and Employee Benefits	$ 26,855	$ 31,680	$ 24,375
Supplies and Services	114,685	87,618	87,101
Supplies and Services from Shared Services			
Support Arrangements with Related Parties (a)	-	555	923
Grants	650,847	689,043	645,827
Financial Transactions and Other	80	107	83
Amortization of Capital Assets	1,187	1,549	1,452
Total Voted Expenses	793,654	810,552	759,761
Statutory:			
Valuation Adjustments	1,500	-	-
Vacation Pay	-	609	370
Doubtful accounts	-	2,151	(316)
Total Statutory Expenses	1,500	2,760	54
Total Expenses	**$ 795,154**	**$ 813,312**	**$ 759,815**

(a) The Department receives Freedom of Information and Protection of Privacy, and information technology services from the Department of Human Resources and Employment.

BUDGET • SCHEDULE 4

DEPARTMENT OF CHILDREN'S SERVICES

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2005-2006 Estimates	Adjustments	2005-2006 Budget	Authorized Supplementary [a]	2005-2006 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 222,336	$ -	$ 222,336	$ 70,400	$ 292,736
Internal Government Transfers	34,000	-	34,000	-	34,000
Other	5,500	-	5,500	-	5,500
	261,836	-	261,836	70,400	332,236
Expenses - Directly Incurred:					
Voted					
Ministry Support Services	13,085	-	13,085	-	13,085
Provincial Programs	98,887	-	98,887	35,900	134,787
Regional Services	681,682	-	681,682	-	681,682
	793,654	-	793,654	35,900	829,554
Statutory					
Valuation adjustments	1,500	-	1,500	-	1,500
	1,500	-	1,500	-	1,500
Total Expenses	**795,154**	-	**795,154**	**35,900**	**831,054**
Net Operating Results	**$ (533,318)**	**$ -**	**$ (533,318)**	**$ 34,500**	**$ (498,818)**
Capital Investments	**$ 300**	**$ -**	**$ 300**	**$ 2,500**	**$ 2,800**

(a) The Government of Canada passed federal government legislation in June 2005 that provided for $70,400 of Early Learning and Child Care program revenue funding to the Province of Alberta. The province authorized the revenue to be given to the Department of Children's Services to support the implementaion of the Department's Early Learning and Child Care Investment Plan.

A Supplementary Estimate to fund $38,400 of expenditures was approved on March 16, 2006. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act*.

The Supplementary Estimate included:

Funding of $35,900 for the implementation of Alberta's Early Learning and Child Care Investment Plan.

Funding of $2,500 for equipment/inventory purchases and information systems to support the implementaion of Alberta's Early Learning and Child Care Investment Plan and to support program delivery under the *Child, Youth and Family Enhancement Act* and the Family Support for *Children with Disabilities Act*.

COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/ INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET • SCHEDULE 5

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

Program	2005-2006 Estimates	Adjustment	2005-2006 Budget	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense	Unexpended (Over Expended)
Voted:							
Ministry Support Services							
Minister's Office	$ 300	$ -	$ 300	$ -	$ 300	$ 303	$ (3)
Deputy Minister's Office	380	-	380	-	380	460	(80)
Communications Services	612	-	612	-	612	484	128
Corporate Administration	11,793	-	11,793	-	11,793	12,885	(1,092)
	13,085	-	13,085	-	13,085	14,132	(1,047)
Provincial Programs							
Program Services	23,985	-	23,985	-	23,985	25,710	(1,725)
Support to Child and Family Research	2,000	-	2,000	-	2,000	2,000	-
Amortization of Capital Assets	1,187	-	1,187	-	1,187	1,549	(362)
	27,172	-	27,172	-	27,172	29,259	(2,087)
Service Quality							
Adoption Services	1,185	-	1,185	-	1,185	2,372	(1,187)
Child Care Services	12,273	-	12,273	16,890	29,163	13,981	15,182
Child, Youth and Family Services	1,917	-	1,917	-	1,917	2,060	(143)
Family Support for Children with Disabilities	6,232	-	6,232	-	6,232	4,442	1,790
Protecting Children from Sexual Exploitation	6,584	-	6,584	-	6,584	5,391	1,193
Aboriginal Initiatives	2,232	-	2,232	-	2,232	2,042	190
	30,423	-	30,423	16,890	47,313	30,288	17,025
Community Strategies							
Parenting Resources Initiative	8,240	-	8,240	-	8,240	8,157	83
Early Intervention	10,722	-	10,722	-	10,722	6,203	4,519
Fetal Alcohol Spectrum Disorder Initiatives	3,204	-	3,204	-	3,204	1,438	1,766
Youth in Transition	4,463	-	4,463	-	4,463	4,888	(425)
Community Initiatives	2,055	-	2,055	-	2,055	1,759	296
Social Care Facilities Review Committee	475	-	475	-	475	403	72
Youth Secretariat	240	-	240	-	240	88	152
Alberta's Promise	975	-	975	-	975	914	61
	30,374	-	30,374	-	30,374	23,850	6,524

(IN THOUSANDS)

Program	2005-2006 Estimates	Adjustment	2005-2006 Budget	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense	Unexpended (Over Expended)
Prevention of Family Violence and Bullying	5,565	-	5,565	-	5,565	7,769	(2,204)
Child and Youth Advocate	5,353	-	5,353	-	5,353	3,583	1,770
Financial Support to Child and Family Services Authorities							
Region 1 - Southwest	28,971	-	28,971	1,167	30,138	31,787	(1,649)
Region 2 - Southeast	17,364	-	17,364	839	18,203	17,871	332
Region 3 - Calgary and Area	160,588	-	160,588	5,264	165,852	169,698	(3,846)
Region 4 - Central	48,478	-	48,478	1,370	49,848	50,300	(452)
Region 5 - East Central	13,799	-	13,799	424	14,223	14,648	(425)
Region 6 - Edmonton and Area	230,068	-	230,068	7,995	238,063	232,575	5,488
Region 7 - North Central	36,180	-	36,180	864	37,044	39,183	(2,139)
Region 8 - Northwest	26,933	-	26,933	792	27,725	28,247	(522)
Region 9 - Northeast	9,243	-	9,243	201	9,444	9,735	(291)
Metis Settlements	5,026	-	5,026	94	5,120	4,865	255
Siksika Family Services Corporation	2,426	-	2,426	-	2,426	2,597	(171)
Services on First Nations Reserves	14,250	-	14,250	-	14,250	12,619	1,631
National Child Special Allowance	-	-	-	-	-	-	-
Assembly of Co-Chairs	256	-	256	-	256	227	29
Governance Support	1,080	-	1,080	-	1,080	758	322
	594,662	-	594,662	19,010	613,672	615,110	(1,438)
Financial Support to Communities							
Family and Community Support Services							
- Expense	31,228	-	31,228	-	31,228	36,135	(4,907)
- Expense funded by Lotteries	34,000	-	34,000	-	34,000	30,000	4,000
	65,228	-	65,228	-	65,228	66,135	(907)

COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

• SCHEDULE 5 - CONTINUED | DEPARTMENT OF CHILDREN'S SERVICES

(IN THOUSANDS)

Program	2005-2006 Estimates	Adjustment	2005-2006 Budget	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense	Unexpended (Over Expended)
Financial Support to Shelters for Abused Women and Children							
Shelters for Abused Women and Children	20,242	-	20,242	-	20,242	17,761	2,481
Women's Shelter - First Nation Recovery	1,550	-	1,550	-	1,550	2,665	(1,115)
	21,792	-	21,792	-	21,792	20,426	1,366
Equipment/Inventory Purchases	300	-	300	2,500	2,800	4,079	(1,279)
Total Voted Expenditures	793,954	-	793,954	38,400	832,354	814,631	17,723
Statutory:							
Valuation Adjustments and Other Provisions	1,500	-	1,500	-	1,500	2,760	(1,260)
Total Expenses	**$ 795,454**	**$ -**	**$ 795,454**	**$ 38,400**	**$ 833,854**	**$ 817,391**	**$ 16,463**

(a) Estimates were approved June 2, 2005. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

The Supplementary Estimate was approved on March 16, 2006. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act*. Supplementary Estimate of $38,400 included:

Funding of $35,900 for the implementation of Alberta's Early Learning and Child Care Investment Plan.

Funding of $2,500 for equipment/inventory purchases and information systems to support the implementation of the Early Learning and Child Care Investment Plan and to support program delivery under the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*.

(b) The Department has accrued achievement bonuses totalling $861 for management and opted out employees. This has been allocated to the relevant programs.

SALARY AND BENEFITS DISCLOSURE • SCHEDULE 6

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-Cash Benefits[3]	Total	Total
Senior Officials					
Deputy Minister [4]	$ 193	$ 46	$ 40	$ 279	$ 169
Child and Youth Advocate	116	23	8	147	131
Executives					
Acting Deputy Minister [5]	-	-	-	-	75
Assistant Deputy Ministers					
Ministry Support Services [6]	137	27	31	195	162
Community Strategies & Support Services [7]	134	25	30	189	168
Program Quality & Standards	149	25	32	206	165
Executive Director, Prevention of Family Violence and Bullying	119	20	26	165	143

Prepared in accordance with Treasury Board Directive 03/2004

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) Two acting incumbents from June 21 to November 30, 2004.

(6) The current incumbent occupied this position starting April 11, 2005.

(7) The current incumbent occupied this position starting April 4, 2005.

RELATED PARTY TRANSACTIONS • SCHEDULE 7

FOR THE YEAR ENDED MARCH 31, 2006

DEPARTMENT OF CHILDREN'S SERVICES

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position agreed at the amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Internal Government Transfers	$ -	$ -	$ 34,000	$ 30,000
Other	-	-	5	-
	$ -	**$ -**	**$ 34,005**	**$ 30,000**
Expenses:				
Grants to Child and Family Services Authorities	$ 598,909	$ 558,912	$ -	$ -
Reimbursements to Child and Family Services Authorities First Nations Services	12,646	12,306	-	-
Ministry of Restructuring and Government Efficiency	-	-	16,695	17,447
Ministry of Executive Council	-	-	13	544
Ministry of Alberta Infrastructure and Transportation	-	-	12	10
Ministry of Finance	-	-	851	775
Ministry of Human Resources & Employment	-	-	115	-
Ministry of Health & Wellness	-	-	100	-
Ministry of Health & Wellness - Health Authorities	-	-	321	-
Ministry of Advanced Education - Post Secondary	-	-	57	-
Ministry of Education - School Divisions	-	-	209	-
	$ 611,555	**$ 571,218**	**$ 18,373**	**$ 18,776**

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Receivable from/(payable to) - net				
Grants to Child and Family Services Authorities	$ (17,525)	$ (15,485)	$ -	$ -
Ministry of Restructuring and Government Efficiency	-	-	-	(515)
Ministry of Seniors and Community Supports	-	-	80	-
Ministry of Innovation and Science	-	-	43	-
Ministry of Human Resources & Employment	-	-	(99)	-
Ministry of Health & Wellness - Health Authorities	-	-	(21)	-
	$ (17,525)	$ (15,485)	$ 3	$ (515)

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged.

The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

(IN THOUSANDS)

	Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 1,511	$ 1,469
Legal Services	809	645
Internal Audit	445	-
Air Transportation	22	-
	$ 2,787	**$ 2,114**

ALLOCATED COSTS • SCHEDULE 8

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006								2005
		Expenses – Incurred by Others				Valuation Adjustments[5]			
Program	Expenses [1,2]	Accommodation Costs [3]	Legal Services [4]	Internal Audit	Air Transportation	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry Support Services	$ 14,132	$ 396	$ -	$ 45	$ 22	$ 160	$ -	$ 14,755	$ 11,887
Provincial Programs	95,249	1,090	809	-	-	439	2,151	99,738	95,711
Regional services	701,171	25	-	400	-	10	-	701,606	654,331
	$ 810,552	$ 1,511	$ 809	$ 445	$ 22	$ 609	$ 2,151	$ 816,099	$ 761,929

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Expenses include administration costs totaling $1,507 (2005 - $1,897) for financial, human resources, and administrative services which were provided by the Department of Restructuring and Government Efficiency to the Child and Family Services Authorities but paid by the Department of Children's Services. The Child and Family Services Authorities Allocated Costs schedules include the administration costs paid on their behalf by the Department of Children's Services.

(3) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure and Transportation, represent the buildings costs allocated by the number of employees per program.

(4) Costs for Legal Services, which were paid by the Ministry of Justice, were allocated in proportion to the expenses incurred by each program.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.

OTHER INFORMATION

OTHER INFORMATION

CHILDREN'S SERVICES STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

FOR THE YEAR ENDED MARCH 31, 2006

The following statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs the Ministry of Children's Services made or approved during the fiscal year.

	(IN THOUSANDS) 2005
Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	$ -
Bankruptcies	$ 28
Write-offs:	
Daycare Subsidy Program	$ 547
Foster Parents Program	45
Bursary Program	75
Miscellaneous	46
	$ 713
Total	$ 741

Note: This schedule is supplementary information only, and not part of the audited financial statements.

APPENDICES

APPENDICES

APPENDIX 1

GLOSSARY OF TERMS AND ACRONYMS

Glossary of Terms

Alberta's Promise | a public-private partnership dedicated to finding new and better ways of working together to direct more resources to benefiting Alberta children and youth.

Adoptive Care | permanent, family, legal guardianship resting with adoptive parents. Birth family contact is dictated by adoption terms, which may be open or closed.

Annual Report | a document government ministries produce to report on progress made during a fiscal year. The report measures the performance of all organizational facets against goals set out in the ministry's business plan.

Business Plan | a strategic document created to give an organization direction by presenting a clear vision of its overall goals and how performance will be measured.

Children in Care | children determined to be in need of intervention, requiring protective out-of-home placement, as determined by provincial legislation.

Child Protection Services | delegated authorities empowered to provide mandated intervention based on legislated definitions of children in need of protection, such as children exposed to maltreatment, neglect or suspected/confirmed child abuse.

Differential Response | a case management approach that provides early identification of vulnerable children and families, and connect support services for them, before a crisis occurs, to help more parents fulfill their natural role as caregivers for their children.

Early Childhood Development Strategy (ECD) | an initiative to provide a range of health, social and learning programs and services for children from preconception to age six, as well as for parents and families. This initiative strives to ensure children get the best start in life, as well as strengthen parents' capacity to meet their children's needs and promote optimal child development.

Emergency Protection Order (EPO) | a civil order available under the *Protection Against Family Violence Act* that the police, the child intervention worker or the claimant (victim) may apply for to provide immediate protection to the abused person.

Family and Community Support Services (FCSS) | an 80/20 per cent funding partnership between the province and municipalities/Métis settlements that enables communities to design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities.

Family Enhancement Services | services and supports that enable families to continue caring for their children in the home. These services are used when children and family are motivated to address issues impacting their family situation. Family enhancement services are also available to youth, 16 years or older, who live independently from their family and have been assessed in need of intervention services.

Family Group Conferencing | bringing together members of an individual's extended family and significant people in their community to collaborate on a family crisis support plan to reach a long-term solution. The plan must be approved by a child welfare worker and include a concurrent plan which designates permanent placement of children if the individual is not able to follow through on the agreed upon course of action.

Fetal Alcohol Spectrum Disorder (FASD) | formerly referred to as Fetal Alcohol Syndrome, FASD refers to a range of physical changes and brain damage associated with fetal exposure to alcohol during pregnancy.

Foster Care | the provision of care and supervision to a child in care, by a family, other than a child's parent or guardian, approved and arranged by a Children's Services authority.

Group Care | staff-based care, usually limited to six to nine residents in a home or facility.

Home Visitation | an early childhood development program providing one-on-one support in the family home to enhance parenting skills, provide child development information, promote child health and address other aspects of positive family functioning.

Kinship Care | extended family providing for a child, as arranged through a child protection service provider.

Permanency | a term to describe the key Children's Services objective to see children in permanent government care become adopted or the subject of a private guardianship order into a stable, nurturing family environment, as quickly as possible.

Permanency Planning | a goal-oriented, systematic process for placing children into suitable family settings as quickly as possible.

Glossary of Acronyms

ACYI	Alberta Children and Youth Initiative
AYSPS	Aboriginal Youth Suicide Prevention Strategy
CARS	Capital and Accommodations Request System
CEO	Chief Executive Officer
CFSA	Child and Family Services Authorities
CMAS	Contract Management Administration System
CNFASDP	Canada Northwest Fetal Alcohol Spectrum Disorder Partnership
CPEF	Community Partnership Enhancement Fund
DECA	*Drug Endangered Children's Act*
DFNA	Delegated First Nations Agencies
ECD	Early Childhood Development Strategy
FASD	Fetal Alcohol Spectrum Disorder
FCSS	Family and Community Support Services
FSCD	Family Support for Children with Disabilities
ICE Unit	Integrated Child Exploitation Unit
MAD	Making a Difference (outcome evaluation system)
MET	Ministry Executive Team
MLA	Member of Legislative Assembly
PAFVA	*Protection Against Family Violence Act*
PchIP	Protection of Children Involved in Prostitution program
PLC	Parent Link Centre
YTSA	Yellowhead Tribal Services Agency

PERFORMANCE MEASURES - DATA SOURCES AND METHODOLOGY

Child Youth Information Module (CYIM) | CYIM is an information system designed to assist with case management. The system provides client-tracking capability (e.g., outcome of investigations, placement type, legal authority, etc.) as well as documentation support for the programs under the former *Child Welfare Act* and the current *Child, Youth and Family Enhancement Act*: child protection, adoptions, placement resources, unmarried parents, post-adoption support, family enhancement, and protection of children involved in prostitution (*Protection of Children Involved in Prostitution Act*). CYIM is the data source for a number of the performance measures.

Performance Measure: Percentage of children who experience at least one incident of child maltreatment within twelve months of a previously confirmed incident of child maltreatment | Child maltreatment refers to circumstances under which a child may be in need of protection of the provincial government. Legislation allows for an allegation of child maltreatment to be investigated and substantiated. Once a worker has completed an investigation, and found the allegation to be substantiated, the incident of maltreatment is included in this measure.

With the new *Child, Youth and Family Enhancement Act*, a new casework model was introduced. For 2005-06, substantiated incidents of maltreatment are now determined at initial assessment, extended assessment, or through substantiated investigation and are all included in this measure. The measure looks at the number of children who have a first and second incident of substantiated child maltreatment within a 12-month period of time.

In 2003-04, the result for this measure provided baseline data and was reported at 19.0 per cent. In 2004-05, baseline for this measure was re-established. The 2004-05 result reported was 18.6 per cent. As the change in legislation occurred in November 2004, results for 2004-05 are restated. The restated 2004-05 result is 21.1 per cent.

Performance Measure: Percentage of children and youth who received family enhancement services and afterwards did not require protective services | Beginning in 2005-06, this measure is based on all children who had a Family Enhancement (FE) file closure in 2004-05. Using the most recent FE closure date within the fiscal year (a child may have more than one FE closure), it is determined whether these children had a Child Protection (CP) file open within 12 months of the FE closure.

In both 2003-04 and 2004-05 the methodology used to determine whether a child required CP services after an FE closure did not use the subsequent 12 months after an FE closure but relied on the same fiscal year for both FE close and CP open. The rationale for this was that the legislation for family enhancement did not come into effect until November 2004 and FE services were still under development. For 2003-04 and 2004-05, 89.7 per cent and 85.2 per cent were reported respectively. The target was 85% and therefore, met for both years.

Child Care Information System (CCIS) | CCIS contains all pertinent information about licensed social care facilities in Alberta. Child Care Specialists use this system to maintain current information about the licensing and monitoring on all licensed social care facilities including day care centres. CCIS also contains all data related to the Child Care Subsidy Program, Child Care Accreditation Funding Program, Staff Qualifications Program, Claims Process, Licensing and Family Day Home Program.

Child Care Accreditation Measure | The result for this measure is based on the number of licensed day care centres and contracted family day home agencies that are accredited on March 31, 2006. On March 31, 2006, there were 475 licensed day care centres and 83 contracted family day home agencies, for a total of 558 programs in the province. Of these, 92 were accredited. The Alberta Association for Accreditation of Early Learning and Care Services accredits day care centres and family day home agencies in Alberta. Day care centres located on federal land, such as on-reserves or military bases, are not included in this measure as these programs are not licensed under the provincial legislation.

Women's Emergency Shelter Outcomes Exit Survey | This survey was designed in 2002-03 and implemented in September 2002 to measure the impact of shelter services for all abused women who were at the end of their stay at Children's Services funded women's emergency shelters. A questionnaire was used in this survey. All abused women were asked to participate in the survey on exit from the shelter. In 2005-06, the total number of abused women with or without dependents admitted to and discharged from 23 women's emergency shelters across the province was 3863; the total number of valid responses to the survey questionnaire was 1809. This constitutes a survey response rate of 46.8 per cent. This response rate represents a sample well within the confidence interval of +/- 5 per cent, 19 times out of 20 for margin of error.

APPENDIX 3

CHILDREN'S SERVICES APPEAL PANELS

Previously, the former *Child Welfare Act* provided for administrative appeals of certain child welfare decisions made by a Child and Family Services Authority. The Child Welfare Appeal Panel heard such appeals.

In August 2004, there was a change in legislation and the *Family Support for Children with Disabilities Act* came into effect. The Family Support for Children with Disabilities Appeal Panel was established to hear appeals under this act. In November 2004, the *Child, Youth and Family Enhancement Act* came into effect, and the Child, Youth and Family Enhancement Appeal Panel was appointed to hear appeals under the *Act*.

The following is a summary of appeal decisions for 2005-06, organized according to the acts under which the appeals were heard: Child Welfare and Enhancement appeals, and Resources for Children with Disabilities and Family Support for Children with Disabilities appeals.

	Child Welfare* (APRIL 1, 2005 – OCTOBER 31, 2005)	**Enhancement** (APRIL 1, 2005 – MARCH 31, 2006)
Number Received		47
Reversed		03
Confirmed		03
Varied		0
Withdrawn/Abandoned		22
No Jurisdiction		04
Hold/Pending		15

	Resources for Children with Disabilities (APRIL 1, 2005 – OCTOBER 31, 2005)	**Family Support for Children with Disabilities** (APRIL 1, 2005 – MARCH 31, 2006)
Number Received		30
Reversed		02
Confirmed		07
Varied		02
Withdrawn/Abandoned		12
No Jurisdiction		01
Hold/Pending	01	06

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* No appeals were filed under *Child Welfare Act* as the legislation was replaced by *Child, Youth and Family Enhancement Act*. As noted above, one exception was an appeal filed and carried over under the Resources for Children with Disabilities provision of the *Child Welfare Act*.

APPENDIX 4

CHILD AND FAMILY SERVICES AUTHORITIES DIRECTORY

(CFSA CO-CHAIRS: AS OF JULY 1, 2006)

Southwest Alberta Child and Family Services | REGION 1
107 Palliser Centre, 3305 – 18 Avenue North
Lethbridge, AB T1H 5S1
PHONE: (403) 381-5543
FAX: (403) 381-5608
CEO: Sharon Brokop
CO-CHAIR: Lloyd Cavers
CO-CHAIR: Harley Philips

Southeast Alberta Child and Family Services | REGION 2
1st Floor, Provincial Building, 346 – 3rd Street SE
Medicine Hat, AB T1A 0G7
PHONE: (403) 529-3753
FAX: (403) 528 - 5244
CEO: Bryan Heninger
CO-CHAIR: Heather Rann
CO-CHAIR: Ken Serr

Calgary and Area Child and Family Services | REGION 3
2nd Floor, 1240 Kensington Road NW
Calgary, AB T2N 3P7
PHONE: (403) 297- 6100
FAX: (403) 297-7214
CEO: Bonnie Johnston
CO-CHAIR: Art Cunningham
CO-CHAIR: Dick Wilson

Central Alberta Child and Family Services | REGION 4
3rd Floor, Bishop's Place 4826 Ross Street
Red Deer, AB T4N 1X4
PHONE: (403) 341-8642
FAX: (403) 341-8654
CEO: Mark Hattori
CO-CHAIR: Ron Kenworthy
CO-CHAIR: Lorraine White

East Central Alberta Child and Family Services | REGION 5
Box 300, 4811 – 49th Avenue
Killam, AB T0B 2L0
PHONE: (780) 385-7160
FAX: (780) 385-7163
CEO: David Wilson
CO-CHAIR: Lois Byers
CO-CHAIR: Corrine Miller

Edmonton and Area Child and Family Services | REGION 6
7th Floor, Oxbridge Place, 9820 - 106 Street
Edmonton, AB T5K 2J6
PHONE: (780) 422-3355
FAX: (780) 422 - 6864
CEO: Gord Johston
CO-CHAIR: Archie Arcand
CO-CHAIR: Dick Frey

North Central Alberta Child and Family Services | REGION 7
PO Box 4742, 2nd Floor, Administrative Building, 5143 – 50 Street
Barrhead, AB T7N 1A6
PHONE: (780) 305-2440
FAX: (780) 305-2444
CEO: Rick Semel
CO-CHAIR: Brian Broughton
CO-CHAIR: Audrey Franklin

Northwest Alberta Child and Family Services | REGION 8
3rd Floor, Provincial Building, 10320 – 99 Street
Grande Prairie, AB T8V 6J4
PHONE: (780) 538 - 5122
FAX: (780) 538 - 5137
CEO: Carole Anne Patenaude
CO-CHAIR: Judy Ostrowski
CO-CHAIR: Cindy Nylander

Northeast Alberta Child and Family Services | REGION 9
4th Floor, Provincial Building, 9915 Franklin Avenue
Fort McMurray, AB T9H 2K4
PHONE: (780) 743 - 7461
FAX: (780) 743 - 7474
CEO: Ron Benson
CO-CHAIR: Bill Clark
CO-CHAIR: Deborah Matchett

Métis Settlement Child and Family Services | REGION 10
4th Floor, Mayfield Business Centre, 10525 – 170 Street
Edmonton, AB T5P 4W2
PHONE: (780) 427 - 1033
FAX: (780) 415 - 0177
CEO: Lillian Parenteau
CO-CHAIR: Sharon Anderson
CO-CHAIR: Susan Bartel

APPENDIX 5

ALPHABETICAL LIST OF GOVERNMENT ENTITIES' FINANCIAL STATEMENTS

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Access to the Future Fund[1]	Advanced Education
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[2]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development

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[1] Established July 10, 2005

[2] Incorporated December 16, 2005

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Alberta Treasury Branches	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	Children's Services
Credit Union Deposit Guarantee Corporation	Finance
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Advanced Education	Advanced Education
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[3]	Aboriginal Affairs and Northern Development
Ministry of Advanced Education	Advanced Education
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[3]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[3]	Environment
Ministry of Executive Council[3]	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services[3]	Government Services
Ministry of Health and Wellness	Health and Wellness

Ministry includes only the departments so separate departmental financial statements are not necessary

MINISTRY, DEPARTMENT, FUND OR AGENCY	**MINISTRY ANNUAL REPORT**
Ministry of Human Resources and Employment[3]	Human Resources and Employment
Ministry of Infrastructure and Transportation[3]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[3]	International and Intergovernmental Relations
Ministry of Justice[3]	Justice
Ministry of Municipal Affairs[3]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[3]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards: Calgary Region Community Board Central Region Community Board Edmonton Region Community Board Northeast Region Community Board Northwest Region Community Board South Region Community Board	Seniors and Community Supports
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Safety Codes Council	Municipal Affairs
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Community Development

Ministry includes only the departments so separate departmental financial statements are not necessary

Entities Not Included in the Consolidated Government Reporting Entity

FUND OR AGENCY	MINISTRY ANNUAL REPORT
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

School, Universities, Colleges and Hospitals Included in the Consolidated Government Reporting Entity on a Modified Equity Basis[4]

SCHOOL BOARDS AND SCHOOLS	MINISTRY ANNUAL REPORT
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL BOARDS AND SCHOOLS	MINISTRY ANNUAL REPORT
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education
Evergreen Catholic Separate Regional Division No. 2	Education
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Foundations for the Future Charter Academy Charter School Society	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education

SCHOOL BOARDS AND SCHOOLS	MINISTRY ANNUAL REPORT
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education
Medicine Hat Catholic Separate Regional Division No. 20	Education
Medicine Hat School District No. 76	Education
Moberly Hall School Society	Education
Mother Earth's Children's Charter School Society	Education
New Horizons Charter School Society	Education
Northern Gateway Regional Division No. 10	Education
Northern Lights School Division No. 69	Education
Northland School Division No. 61	Education
Northwest Francophone Education Region No. 1	Education
Palliser Regional Division No. 26	Education
Parkland School Division No. 70	Education
Peace River School Division No. 10	Education
Peace Wapiti School Division No. 76	Education
Pembina Hills Regional Division No. 7	Education
Prairie Land Regional Division No. 25	Education
Prairie Rose Regional Division No. 8	Education
Red Deer Catholic Regional Division No. 39	Education
Red Deer School District No. 104	Education
Rocky View School Division No. 41	Education
St. Albert Protestant Separate School District No. 6	Education
St. Paul Education Regional Division No. 1	Education

SCHOOL BOARDS AND SCHOOLS	MINISTRY ANNUAL REPORT
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	Education
Sturgeon School Division No. 24	Education
Suzuki Charter School Society	Education
Westmount Charter School Society	Education
Westwind School Division No. 74	Education
Wetaskiwin Regional Division No. 11	Education
Wild Rose School Division No. 66	Education
Wolf Creek School Division No. 72	Education

UNIVERSITIES	MINISTRY ANNUAL REPORT
Athabasca University	Advanced Education
The University of Alberta	Advanced Education
The University of Calgary	Advanced Education
The University of Lethbridge	Advanced Education

COLLEGES	MINISTRY ANNUAL REPORT
Alberta College of Art and Design	Advanced Education
Bow Valley College	Advanced Education
Grande Prairie Regional College	Advanced Education
Grant MacEwan College	Advanced Education
Keyano College	Advanced Education
Lakeland College	Advanced Education
Lethbridge Community College	Advanced Education
Medicine Hat College	Advanced Education

COLLEGES	MINISTRY ANNUAL REPORT
Mount Royal College	Advanced Education
NorQuest College	Advanced Education
Northern Lakes College	Advanced Education
Olds College	Advanced Education
Portage College	Advanced Education
Red Deer College	Advanced Education

TECHNICAL INSTITUTES AND THE BANFF CENTRE	MINISTRY ANNUAL REPORT
Northern Alberta Institute of Technology	Advanced Education
Southern Alberta Institute of Technology	Advanced Education
The Banff Centre for Continuing Education	Advanced Education

REGIONAL HEALTH AUTHORITIES AND OTHER HEALTH INSTITUTIONS	MINISTRY ANNUAL REPORT
Alberta Cancer Board	Health and Wellness
Alberta Mental Health Board	Health and Wellness
Aspen Regional Health Authority	Health and Wellness
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Chinook Regional Health Authority	Health and Wellness
David Thompson Regional Health Authority	Health and Wellness
East Central Health	Health and Wellness
Northern Lights Regional Health Authority	Health and Wellness
Peace Country Health	Health and Wellness
Palliser Health Region	Health and Wellness

FINANCIAL STATEMENTS

CFSA FINANCIAL STATEMENTS

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AUDITOR
GENERAL
Alberta

To the Members of the Southwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 11, 2006

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED
MARCH 31, 2006

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 28,971	$ 31,787	$ 28,876
Recoveries - First Nation Reserves	415	396	487
Recoveries - Inter-Authority Services	150	26	206
Miscellaneous Revenue (NOTE 6)	-	64	27
	29,536	32,273	29,596
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	3,327	3,518	3,183
Family Support for Children with Disabilities	4,320	4,776	4,241
Early Intervention	1,217	1,899	1,250
Prevention of Family Violence and Bullying	-	-	92
Parenting Resources Initiative	341	341	298
Fetal Alcohol Spectrum Disorder Initiatives	69	405	502
Keeping children, youth and families safe and protected			
Child Intervention Services	18,467	19,162	17,999
Child and Family Research	300	277	252
Promoting healthy communities for children, youth and families			
Community Initiatives	48	65	144
Support Services			
Program Support	1,162	1,174	1,232
Board Governance	135	144	117
Inter-Authority Services	150	26	206
Valuation adjustments			
Vacation Pay	-	64	1
	29,536	31,851	29,517
Net Operating Results	**$ -**	**$ 422**	**$ 79**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 1,859	$ 1,194
Accounts Receivable (NOTE 4)	1,054	1,028
	$ 2,913	**$ 2,222**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 2,193	$ 1,924
Net Assets		
Net Assets at Beginning of Year	298	219
Net Operating Results	422	79
Net Assets at End of Year	720	298
	$ 2,913	**$ 2,222**

The accompanying notes and schedules are part of these financial statements

STATEMENT OF CASH FLOWS

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 422	$ 79
Non-Cash Items		
Valuation Adjustments	64	1
	486	80
Increase in Accounts Receivable	(26)	(271)
Increase in Accounts Payable	205	107
and Accrued Liabilities (a)	-	-
Cash Provided (Used) by Operating Transactions	665	(84)
Increase (Decrease) in Cash	665	(84)
Cash, Beginning of Year	1,194	1,278
Cash, End of Year	**$ 1,859**	**$ 1,194**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Southwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Southwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $29,536 on May 18, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $1,054 and $2,193 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using an analysis of prior year accruals, the time lag of current year expenditures as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 28,971
Additional funding for the current year	2,816
Grant for the year	$ 31,787

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Alberta Children's Services	$ 1,018	$ 977
Refunds from suppliers	36	27
Child and Family Services Authorities	-	24
	$ 1,054	$ 1,028

NOTE 5 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Trade Payable	$ 1,256	$ 912
Accrued Vacation Pay and Manpower Expenses	930	1,001
Department of Children's Services	7	9
Child and Family Services Authorities	-	2
	$ 2,193	$ 1,924

NOTE 6 | Miscellaneous Revenue

Miscellaneous revenues include the following:

	IN THOUSANDS	
	2006	2005
Previous year refund of expenditures	$ 29	$ 24
Other miscellaneous revenue	35	3
	$ 64	$ 27

NOTE 7 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

	IN THOUSANDS	
	2006	2005
Long-term leases[a]	$ 294	$ 212

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 88
2008	$ 86
2009	$ 67
2010	$ 46
2011	$ 7

NOTE 8 | Contingent Liabilities

At March 31, 2006, the Authority is involved in two claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claims occurred (2005 – two legal claims). The two claims have a specified amount totaling $1,380,000 (2005 – three claims with a specified amount of $1,455,000). The two claims amounting to $1,380,000 is covered by the Alberta Risk Management and Insurance Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 9 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 10 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 9,196	$ 8,998	$ 8,801
Supplies and Services	16,648	19,472	17,550
Grants	3,542	3,291	2,959
Inter-Authority Services	150	26	206
Other	-	64	1
	$ 29,536	**$ 31,851**	**$ 29,517**

(a) This includes $45,100 (2005 - $43,000) in achievement bonuses for management and non-union staff.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006								2005	
		Base Salary [1]		Other Cash Benefits [2]		Other Non-Cash Benefits [3]		Total		Total
Co-Chair of the Authority	$	-	$	44	$	-	$	44	$	30
Co-Chair of the Authority		-		32		-		32		21
Board Members (6 MEMBERS) [4]		-		62		-		62		58
Chief Executive Officer [5]		127		17		27		171		167

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $37 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) The board membership decreased from 8 members in 2005 to 6 members in 2006.

(5) The position was occupied by two different individuals during the year. The former incumbent left to assume a position with the Edmonton and Area Child and Family Services Authority on December 17, 2005. The reported salary and benefits only includes the former incumbent's salary and benefits that were paid by the Southwest Alberta Child and Family Services Authority. The second incumbent assumed the position on December 19, 2005 in an Acting capacity. The reported salary and benefits only include the second incumbent's salary and benefits since assuming the position.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 31,787	$ 28,876	$ -	$ -
Recoveries - First Nation Reserves	396	487	-	-
Recoveries - Inter-Authority Services	26	206	-	-
Prior-Year Revenue - First Nation Reserves	11	15	-	-
	$ 32,220	**$ 29,584**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 3	-	$ -	$ -
Department of Children's Services	421	475	-	-
Department of Restructuring and Government Efficiency	-	-	14	13
Department of Health and Wellness	-	-	300	-
Department of Education	-	-	182	-
Department of Advanced Education	-	-	7	-
	$ 424	**$ 475**	**$ 503**	**$ 13**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 1,011	$ 968	$ -	$ -
Calgary and Area Child and Family Services Authority	-	(2)	-	-
Southeast Alberta Child and Family Services Authority	-	24	-	-
Persons with Developmental Disabilities Board	-	-	-	(14)
	$ 1,011	**$ 990**	**$ -**	**$ (14)**

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 845	$ 741
Administrative	116	176
Legal Services	-	2
	$ 961	$ 919

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Vacation Pay (5)	Total Expenses	Total Expenses
Child Care	$ 3,518	$ 64	$ -	$ -	$ 5	$ 3,587	$ 3,219
Family Support for Children with Disabilities	4,776	54	-	-	4	4,834	4,279
Early Intervention	1,899	4	-	-	-	1,903	1,250
Prevention of Family Violence and Bullying	-	4	-	-	-	4	92
Parenting Resources Initiative	341	-	-	-	-	341	298
Fetal Alcohol Spectrum Disorder Initiatives	405	-	-	-	-	405	502
Child Intervention Services	19,162	683	-	-	52	19,897	18,623
Child and Family Research	277	-	-	-	-	277	252
Community Initiatives	65	7	-	-	1	73	144
Program Support	1,174	29	116	-	2	1,321	1,454
Board Governance	144	-	-	-	-	144	117
Inter-Authority Services	26	-	-	-	-	26	206
	$ 31,787	**$ 845**	**$ 116**	**$ -**	**$ 64**	**$ 32,812**	**$ 30,436**

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Southwest Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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AUDITOR
GENERAL
Alberta

To the Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 8, 2006

STATEMENT OF OPERATIONS

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006 Budget	2006 Actual	2005 Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 17,364	$ 17,871	$ 16,272
Miscellaneous Revenue (NOTE 6)	-	23	7
	17,364	17,894	16,279
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	2,268	2,522	2,182
Family Support for Children with Disabilities	1,976	2,087	1,586
Early Intervention	1,600	1,458	1,367
Parenting Resources Initiative	215	203	213
Fetal Alcohol Spectrum Disorder Initiatives	80	78	78
Keeping children, youth and families safe and protected			
Child Intervention Services	10,250	10,523	10,182
Child and Family Research	139	105	110
Support Services			
Program Support	760	795	689
Board Governance	76	62	32
Valuation adjustments			
Vacation Pay	-	45	15
	17,364	17,878	16,454
Net Operating Results	$ -	**$ 16**	**$ (175)**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 865	$ 809
Accounts Receivable (NOTE 4)	449	498
	$ 1,314	$ 1,307
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 1,125	$ 1,134
Net Assets		
Net Assets at Beginning of Year	173	348
Net Operating Results	16	(175)
Net Assets at End of Year	189	173
	$ 1,314	**$ 1,307**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 16	$ (175)
Non-Cash Items		
Valuation Adjustments	45	15
	61	(160)
(Increase)Decrease in Accounts Receivable	49	(144)
Increase (Decrease) in Accounts Payable and Accrued Liabilities [a]	(54)	132
Cash Provided (Used) by Operating Transactions	56	(172)
Cash, Beginning of Year	809	981
Cash, End of Year	**$ 865**	**$ 809**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Southeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Southeast Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $17,364 on May 12, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $449 and $1,125 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 17,364
Additional funding for the current year	507
Grant for the year	$ 17,871

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services which is a related party. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	**2005**
Department of Children's Services	$ 423	$ 496
Other	26	2
	$ 449	$ 498

NOTE 5 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	**2005**
Trade Payable	$ 6,33	$ 595
Accrued Vacation Pay and Manpower Expenses	489	513
Department of Children's Services	3	2
Child and Family Services Authorities	-	24
	$ 1,125	$ 1,134

NOTE 6 | Miscellaneous Revenue

Miscellaneous revenues include the following:

	IN THOUSANDS	
	2006	2005
Other miscellaneous revenue	$ 18	$ 4
Previous year refund of expenditures	5	3
	$ 23	$ 7

NOTE 7 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

	IN THOUSANDS	
	2006	2005
Long-term leases[a]	$ 103	$ 71

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 34
2008	$ 31
2009	$ 20
2010	$ 18

NOTE 8 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 9 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

	(IN THOUSANDS) 2006 Budget	2006 Actual	2005 Actual
Salaries, Wages and Employee Benefits [a]	$ 4,808	$ 5,344	$ 4,929
Supplies and Services	10,463	10,151	9,396
Grants	2,093	2,338	2,114
Other	-	45	15
	$ 17,364	**$ 17,878**	**$ 16,454**

(a) This includes $42,000 (2005 - $28,000) in achievement bonuses for management and non-union staff.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 22	$ -	$ 22	$ 19
Co-Chair of the Authority	-	15	-	15	10
Board Members (7 MEMBERS)	-	32	-	32	14
Chief Executive Officer	121	16	29	166	141

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $28,196 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 17,871	$ 16,272	$ -	$ -
Miscellaneous Revenue:	-	-	-	-
Grasslands Regional Division No. 6	-	-	-	4
	$ 17,871	**$ 16,272**	**$ -**	**$ 4**
Expenses:				
Inter-Authority Services Received	$ 18	$ 116	$ -	$ -
Department of Children's Services	281	271	-	-
Department of Restructuring and Government Efficiency	-	-	8	7
Department of Health and Wellness	-	-	245	-
Department of Education	-	-	139	-
Department of Human Resources and Employment	-	-	4	3
Department of Seniors and Community Supports	-	-	-	12
	$ 299	**$ 387**	**$ 396**	**$ 22**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 420	$ 494	$ -	$ -
Southwest Alberta Child and Family Services Authority	-	(24)	-	-
Department of Human Resources and Employment	-	-	1	-
	$ 420	**$ 470**	**$ 1**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged.
The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 622	$ 683
Administrative	67	83
Legal Services	1	-
	$ 690	**$ 766**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Vacation Pay (5)	Total Expenses	Total Expenses
Child Care	$ 2,522	$ 42	$ -	$ -	$ 3	$ 2,567	$ 2,202
Family Support for Children with Disabilities	2,087	52	-	-	4	2,143	1,631
Early Intervention	1,458	-	-	-	-	1,458	1,367
Parenting Resources Initiative	203	-	-	-	-	203	213
Fetal Alcohol Spectrum Disorder Initiatives	78	-	-	-	-	78	78
Child Intervention Services	10,523	487	-	1	35	11,046	10,769
Child and Family Research	105	2	-	-	-	107	110
Program Support	795	39	-	-	3	837	818
Board Governance	62	-	67	-	-	129	32
	$ 17,833	**$ 622**	**$ 67**	**$ 1**	**$ 45**	**$ 18,568**	**$ 17,220**

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Southeast Alberta Child and Family
Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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AUDITOR
GENERAL
Alberta

To the Members of the Calgary and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Calgary and Area Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 19, 2006

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED
MARCH 31, 2006

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (NOTE 3)	$ 160,588	$ 169,698	$ 156,277
Recoveries - First Nation Reserves	700	851	666
Recoveries - Inter-Authority Services	-	-	8
Other Revenue (NOTE 10)	1,000	832	777
Miscellaneous Revenue (NOTE 7)	360	387	935
	162,648	171,768	158,663
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	15,410	18,158	15,174
Family Support for Children with Disabilities	28,035	29,619	25,792
Early Intervention	5,490	5,756	5,473
Prevention of Family Violence and Bullying	490	528	543
Parenting Resources Initiative	1,816	1,706	1,644
Fetal Alcohol Spectrum Disorder Initiatives	714	910	878
Keeping children, youth and families safe and protected			
Child Intervention Services	103,765	108,411	101,400
Child and Family Research	790	911	866
Promoting healthy communities for children, youth and families			
Community Initiatives	3,310	3,035	2,933
Support Services			
Program Support	2,678	2,910	2,809
Board Governance	150	105	125
Inter-Authority Services	-	-	8
Valuation adjustments (NOTE 2)			
Vacation Pay	-	272	292
Write-Offs	-	2	21
	162,648	172,323	157,958
Net Operating Results	**$ -**	**$ (555)**	**$ 705**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 11,152	$ 16,993
Accounts Receivable (NOTE 4)	9,500	3,781
Tangible Capital Assets (NOTE 5)	197	161
	$ 20,849	**$ 20,935**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 11,496	$ 11,027
	11,496	11,027
Net Assets		
Net Assets at Beginning of Year	9,908	9,203
Net Operating Results	(555)	705
Net Assets at End of Year	9,353	9,908
	$ 20,849	**$ 20,935**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ (555)	$ 705
Non-Cash Items		
Amortization of Tangible Capital Assets	27	21
Valuation Adjustments	274	313
	(254)	1,039
Increase in Accounts Receivable	(5,719)	(433)
Increase in Accounts Payable and Accrued Liabilities [a]	195	456
Cash Provided by Operating Transactions	(5,778)	1,062
Investing Transactions:		
Purchases of Tangible Capital Assets	(63)	(182)
Cash Used by Investing Transactions	(63)	(182)
(Decrease)/Increase in Cash	(5,841)	880
Cash, Beginning of Year	16,993	16,113
Cash, End of Year	**$11,152**	**$16,993**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Calgary and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Calgary and Area Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on or off reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 10) that are restricted are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $162,648 on January 17, 2006.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $9,500 and $11,496 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 160,588
Additional funding for the current year	9,110
Grant for the year	$ 169,698

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS 2006	2005
Department of Children's Services	$ 3,659	$ 3,615
Prepayment of Contracts	5,554	-
Refunds from Suppliers	285	-
Child and Family Services Authorities	2	2
Other	-	164
	$ 9,500	$ 3,781

NOTE 5 | Tangible Capital Assets

(IN THOUSANDS)

	2006				2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold Improvements	7 years	$ 59	$ 17	$ 42	$ 50
Office Equipment	10 years	$ 186	$ 31	$ 155	$ 111
		$ 245	$ 48	$ 197	$ 161

NOTE 6 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade Payable	$ 8,245	$ 8,089
Accrued Vacation Pay	3,168	2,897
Department of Children's Services	71	18
Child and Family Services Authorities	-	9
Other	12	14
	$ 11,496	$ 11,027

NOTE 7 | Miscellaneous Revenue

Miscellaneous revenues include the following:

IN THOUSANDS

	2006	2005
Recoveries of costs incurred under an agreement (NOTE 10)	$ -	$ 80
Other miscellaneous revenue	387	855
	$ 387	$ 935

NOTE 8 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

IN THOUSANDS

	2006	2005
Long-term leases[a]	$ 129	$ 144

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

IN THOUSANDS

2007	$ 61
2008	$ 44
2009	$ 18
2010	$ 5
2011	$ 1

NOTE 9 | Contingent Liabilities

At March 31, 2006, the Authority is involved in 7 claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2005 – 7 legal claims). The seven claims have specified amounts totaling $7,238,810 (2005 – 7 claims with a specified amount of $7,238,810).

In each of these claims, the Authority has been jointly named with other entities. Six claims amounting to $6,488,810 (2005 – six claims amounting to $6,488,810) are covered by the Alberta Risk Management and Insurance Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 | Payments Under Agreement (In thousands)

The Authority has entered into two third party agreements with Student Health Partnership, and Seniors and Community Supports to deliver various program services. The revenues *(not in brackets in the table below)* of $832 (2005 - $857) and expenses *(in brackets in the table below)* of $598 (2005 - $985) are included in the financial statements.

	IN THOUSANDS	
	2006	2005
Student Health Partnership	$ 832	$ 777
Human Resources and Employment	-	80
Seniors and Community Supports	(598)	(985)

NOTE 11 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 12 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits[a]	$ 32,985	$ 34,626	$ 31,941
Supplies and Services	115,743	120,276	110,886
Supplies and Services - service arrangement with related party[b]	-	598	985
Grants	13,870	16,322	13,724
Amortization of Tangible Capital Assets	-	27	21
Inter-Authority Services	-	-	8
Other	50	474	393
	$ 162,648	$ 172,323	$ 157,958

(a) This includes $160,000 (2005 - $155,000) in achievement bonuses for management and non-union staff.

(b) The Authority receives residential placement services from the Department of Seniors and Community Supports.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 20	$ -	$ 20	$ 16
Co-Chair of the Authority	$ -	$ 13	$ -	$ 13	$ 14
Board Members (14 MEMBERS)	$ -	$ 56	$ -	$ 56	$ 49
Chief Executive Officer [4]	$ 176	$ 23	$ 7	$ 206	$ 178

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $20,000 of the total honoraria expenses disclosed in this schedule.

(3) Non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.

(4) Automobile provided to the CEO, no dollar amount included in non-cash benefits figures.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 169,698	$ 156,277	$ -	$ -
Recoveries - First Nation Reserves	851	666	-	-
Recoveries - Inter-Authority Services	-	8	-	-
Prior-Year Revenue - Inter-Authority Services	1	-	-	-
Department of Human Resources and Employment	-	-	-	80
	$ 170,550	**$ 156,951**	**$ -**	**$ 80**
Expenses:				
Inter-Authority Services Received	$ 30	$ 118	$ -	$ -
Department of Children's Services	1,404	1,479	-	-
Department of Restructuring and Government Efficiency	-	-	90	70
Department of Education	-	-	971	-
Department of Advanced Education	-	-	66	-
Department of Health and Wellness	-	-	287	-
Department of Seniors and Community Supports	-	-	598	985
	$ 1,434	**$ 1,597**	**$ 2,012**	**$ 1,055**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 3,588	$ 3,597	$ -	$ -
Southwest Alberta Child and Family Services Authority	2	2	-	-
Edmonton and Area Child and Family Services Authority	-	(9)	-	-
Department of Health and Wellness	-	-	28	-
	$ 3,590	**$ 3,590**	**$ 28**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 4,250	$ 4,400
Administrative	289	406
Legal Services	864	563
	$ 5,403	**$ 5,369**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others					
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Valuation Adjustments (5)	Total Expenses	Total Expenses
Child Care	$ 18,158	$ 242	$ -	$ -	$ 15	$ 18,415	$ 15,388
Family Support for Children with Disabilities	29,619	266	-	-	17	29,902	26,053
Early Intervention	5,756	-	-	-	-	5,756	5,473
Prevention of Family Violence and Bullying	528	-	-	-	-	528	543
Parenting Resources Initiative	1,706	-	-	-	-	1,706	1,644
Fetal Alcohol Spectrum Disorder Initiatives	910	-	-	-	-	910	878
Child Intervention Services	108,411	3,594	-	864	232	113,101	106,064
Child and Family Research	911	26	-	-	2	939	866
Community Initiatives	3,035	17	-	-	1	3,053	2,933
Program Support	2,910	105	289	-	7	3,311	3,352
Board Governance	105	-	-	-	-	105	125
Inter-Authority Services	-	-	-	-	-	-	8
	$ 172,049	**$ 4,250**	**$ 289**	**$ 864**	**$ 274**	**$ 177,726**	**$ 163,327**

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Calgary and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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AUDITOR'S REPORT

AUDITOR GENERAL
Alberta

To the Members of the Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 12, 2006

STATEMENT OF OPERATIONS

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 48,478	$ 50,301	$ 47,223
Recoveries - First Nation Reserves	4,109	4,574	3,617
Recoveries - Inter-Authority Services	75	60	84
Other Revenue-Donations (NOTE 7)	-	8	-
Miscellaneous Revenue (NOTE 7)	104	253	107
	52,766	55,196	51,031
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	4,390	4,368	4,020
Family Support for Children with Disabilities	6,962	8,533	6,334
Early Intervention	3,075	2,740	2,953
Prevention of Family Violence and Bullying	604	361	390
Parenting Resources Initiative	738	780	661
Fetal Alcohol Spectrum Disorder Initiatives	210	255	310
Keeping children, youth and families safe and protected			
Child Intervention Services	32,698	34,061	32,328
Child and Family Research	517	412	426
Promoting healthy communities for children, youth and families			
Community Initiatives	1,481	1,459	1,210
Support Services			
Program Support	1,791	2,356	2,012
Board Governance	225	262	263
Inter-Authority Services	75	60	84
Valuation adjustments			
Vacation Pay	-	93	97
Amortization	-	1	1
	52,766	55,741	51,089
Net Operating Results	**$ -**	**$ (545)**	**$ (58)**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 383	$ 2,105
Accounts Receivable (NOTE 4)	3,217	2,076
Advances	1	1
Tangible Capital Assets (NOTE 5)	5	6
	$ 3,606	**$ 4,188**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 3,907	$ 3,944
Net Assets (Liabilities)		
Net Assets at Beginning of Year	244	302
Net Operating Results	(545)	(58)
Net Assets (Liabilities) at End of Year	(301)	244
	$ 3,606	**$ 4,188**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ (545)	$ (58)
Non-Cash Items:		
Amortization of Tangible Capital Assets	1	1
Valuation Adjustments	93	97
	(451)	40
Increase in Accounts Receivable	(1,141)	(318)
Increase (Decrease) in Accounts Payable and Accrued Liabilities [a]	(130)	603
Cash Provided (Used) by Operating Transactions	(1,722)	325
Investing Transactions:		
Purchases of Tangible Capital Assets	-	(7)
Cash Provided (Used) by Investing Transactions	-	(7)
Increase (Decrease) in Cash	(1,722)	318
Cash, Beginning of Year	2,105	1,787
Cash, End of Year	**$ 383**	**$ 2,105**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying values of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new information systems is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximate their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $52,766 on April 18, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $3,217 and $3,907 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 48,478
Additional funding for the current year	1,823
Grant for the year	$ 50,301

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Children's Services	$ 3,138	$ 1,939
Other	66	7
Current Expenditure Refunds	8	107
Child and Family Services Authorities	5	23
	$ 3,217	$ 2,076

NOTE 5 | Tangible Capital Assets

IN THOUSANDS

	2006				2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Audio-visual equipment	10 years	$ 7	$ 2	$ 5	$ 6

NOTE 6 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade Payable	$ 2,213	$ 2,235
Accrued Vacation Pay and Manpower Expenses	1,389	1,498
Department of Children's Services	272	162
Child and Family Services Authorities	22	16
Other	11	33
	$ 3,907	$ 3,944

NOTE 7 | Miscellaneous Revenue

Miscellaneous revenues include the following:

IN THOUSANDS

	2006	2005
Over-accruals and PYER	$ 200	$ 85
Parental and Disability Contributions	53	-
Donations	8	-
Other miscellaneous revenue	-	22
	$ 261	$ 107

NOTE 8 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year end March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

IN THOUSANDS

	2006	2005
Long-term leases[a]	$ 400	$ 335

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

IN THOUSANDS

2007	$	178
2008	$	115
2009	$	70
2010	$	37

NOTE 9 | Contingent Liabilities

At March 31, 2006, the Authority is involved in one claim either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2005 - no legal claims). The claim has a specified amount totaling $820,000 (2005 - no specified amounts). The Authority has been jointly named as a defendant with other entities.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 11 |Approval of Financial Statements

The Authority's Board has approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 12,774	$ 14,643	$ 12,882
Supplies and Services	35,577	36,688	33,994
Grants	4,415	4,256	4,031
Amortization of Tangible Capital Assets	-	1	1
Inter-Authority Services	-	60	84
Other	-	93	97
	$ 52,766	**$ 55,741**	**$ 51,089**

(a) This includes $79,119 (2005 - $67,104) in achievement bonuses for management and non-union staff

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 31	$ -	$ 31	$ 27
Co-Chair of the Authority	-	24	-	24	26
Board Members (14 MEMBERS)	-	144	-	144	141
Chief Executive Officer [4]	115	27	26	168	151

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $7,732 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) Other cash benefits include a vacation payout of $10,688.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 50,301	$ 47,223	$ -	$ -
Recoveries - First Nation Reserves	4,574	3,617	-	-
Recoveries - Inter-Authority Services	60	84	-	-
Prior-Year Revenue - Inter-Authority Services	2	-	-	-
	$ 54,937	**$ 50,924**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 104	$ 84	$ -	$ -
Department of Children's Services	1,237	1,175	-	-
Ministry of Education	-	-	1,201	-
Ministry of Health and Wellness	-	-	98	-
Ministry of Restructuring and Government Efficiency	-	-	16	14
	$ 1,341	**$ 1,259**	**$ 1,315**	**$ 14**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 2,866	$ 1,777	$ -	$ -
Edmonton and Area Child and Family Services Authority	(15)	17		
North Central Alberta Child and Family Services Authority	(2)	(10)	-	-
	$ 2,848	**$ 1,784**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged.
The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities 2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 1,707	$ 1,822
Administrative	166	211
Legal Services	45	28
	$ 1,918	**$ 2,061**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 4,368	$ 79	$ -	$ -	$ 4	$ 4,451	$ 4,100
Family Support for Children with Disabilities	8,533	160	-	-	9	8,702	6,476
Early Intervention	2,740	22	-	-	1	2,763	2,974
Prevention of Family Violence and Bullying	361	9	-	-	-	370	390
Parenting Resources Initiative	780	-	-	-	-	780	661
Fetal Alcohol Spectrum Disorder Initiatives	255	-	-	-	-	255	310
Child Intervention Services	34,061	1,265	-	45	70	35,441	33,854
Child and Family Research	412	3	-	-	-	415	426
Community Initiatives	1,459	57	-	-	3	1,519	1,210
Program Support	2,356	112	166	-	6	2,640	2,400
Board Governance	262		-	-	-	262	263
Inter-Authority Services	60	-	-	-	-	60	84
Amortization	1	-	-	-	-	1	1
	$ 55,648	**$ 1,707**	**$ 166**	**$ 45**	**$ 93**	**$ 57,659**	**$ 53,149**

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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AUDITOR GENERAL
Alberta

To the Members of the East Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the East Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 15, 2006

STATEMENT OF OPERATIONS

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 13,799	$ 4,648	$ 13,788
Recoveries - First Nation Reserves	412	347	415
Miscellaneous Revenue (NOTE 6)	-	26	58
	14,211	15,021	14,261
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	912	1,266	914
Family Support for Children with Disabilities	2,263	2,679	2,271
Early Intervention	934	719	766
Prevention of Family Violence and Bullying	30	30	30
Parenting Resources Initiative	343	336	343
Fetal Alcohol Spectrum Disorder Initiatives	-	44	-
Keeping children, youth and families safe and protected			
Child Intervention Services	7,929	8,118	7,985
Child and Family Research	239	238	250
Promoting healthy communities for children, youth and families			
Community Initiatives	432	534	547
Support Services			
Program Support	1,033	1,050	959
Board Governance	96	98	90
Vacation Pay	-	33	40
Total Expenses	14,211	15,145	14,195
NET OPERATING RESULTS	**$ -**	**$ (124)**	**$ 66**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006	2005
Assets		
Cash	$ 1,398	$ 1,505
Accounts Receivable (NOTE 4)	513	445
	$ 1,911	**$ 1,950**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 1,042	$ 957
Net Assets		
Net Assets at Beginning of Year	993	927
Net Operating Results	(124)	66
Net Assets at End of Year	869	993
	$ 1,911	**$ 1,950**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ (124)	$ 66
Non-Cash Item:		
Vacation Pay	33	40
	(91)	106
Increase in Accounts Receivable	(68)	(143)
Increase in Accounts Payable and Accrued Liabilities (a)	52	50
Cash Provided (Used) by Operating Transactions	(107)	13
(Decrease) Increase in Cash	(107)	13
Cash, Beginning of Year	1,505	1,492
Cash, End of Year	**$ 1,398**	**$ 1,505**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The East Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the East Central Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability or, as reflected in the Government's budget document.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services.
- the cost of salary, wages, and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages, and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivable approximates their fair values, due to the short-term nature of these items.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $14,211 on April 26, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded as $513 and $1,042 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 13,799
Additional funding for the current year	849
Grant for the year	$ 14,648

NOTE 4 | Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Department of Alberta Children's Services	$ 480	$ 436
Refunds from Vendors	27	6
Other	6	3
	$ 513	$ 445

NOTE 5 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of the transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade Payable	$ 542	$ 461
Accrued Vacation Pay and Other Manpower	433	422
Child and Family Services Authorities	61	68
Department of Alberta Children's Services	6	6
	$ 1,042	$ 957

NOTE 6 | Miscellaneous Revenue

Miscellaneous revenues include the following:

	IN THOUSANDS 2006	 2005
Other miscellaneous revenue	$ 26	$ 58

NOTE 7 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided to these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

	IN THOUSANDS 2006	 2005
Long-term leases[a]	$ 127	$ 120

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 52
2008	$ 42
2009	$ 20
2010	$ 13

NOTE 8 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 9 | Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits[a]	$ 4,001	$ 4,062	$ 3,702
Supplies and Services	9,205	9,942	9,400
Grants	1,005	1,108	1,053
Other	-	33	40
	$ 14,211	**$ 15,145**	**$ 14,195**

(a) This includes $44 (2005 - $31) in acheivement bonuses for management and non-union staff.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 19	$ -	$ 19	$ 20
Co-Chair of the Authority	$ -	$ 20	$ -	$ 20	$ 26
Board Members (7 MEMBERS)	$ -	$ 42	$ -	$ 42	$ 35
Chief Executive Officer	$ 112	$ 15	$ 35	$ 162	$ 118

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments.
Co-chairs and board members receive honoraria only. The Department of Alberta Children's Services paid $15 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Alberta Children's Services	$ 14,648	$ 13,788	$ -	$ -
Recoveries - First Nation Reserves	347	415	-	-
Prior-Year Revenue - Inter-Authority Services	-	2	-	-
	$ 14,995	**$ 14,205**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 299	$ 291	$ -	$ -
Department of Alberta Children's Services	211	199	-	-
Department of Alberta Education	-	-	507	-
Department of Alberta Advanced Education	-	-	18	-
Department of Alberta Health and Wellness	-	-	74	-
	$ 510	**$ 490**	**$ 599**	**$ -**
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 474	$ 430	$ -	$ -
Edmonton and Area Child and Family Services Authority	(51)	(38)	-	-
North Central Alberta Child and Family Services Authority	(10)	(30)	-	-
	$ 413	**$ 362**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged.
The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 583	$ 486
Administrative	36	51
Legal Services	10	8
	$ 629	$ 545

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses[1]	Accommodation Costs[2]	Administration Costs[3]	Legal Services[4]	Vacation Pay[5]	Total Expenses	Total Expenses
Child Care	$ 1,266	$ 31	$ -	$ -	$ 2	$ 1,299	$ 925
Family Support for Children with Disabilities	2,679	71	-	-	4	2,754	2,325
Early Intervention	719	13	-	-	1	733	784
Prevention of Family Violence and Bullying	30	11	-	-	1	42	30
Parenting Resources Initiative	336	-	-	-	-	336	343
Fetal Alcohol Spectrum Disorder Initiatives	44	-	-	-	-	44	-
Child Intervention Services	8,118	353	-	10	19	8,500	8,347
Child and Family Research	238	11	-	-	1	250	260
Community Initiatives	534	-	-	-	-	534	547
Program Support	1,050	93	36	-	5	1,184	1,089
Board Governance	98	-	-	-	-	98	90
	$ 15,112	**$ 583**	**$ 36**	**$ 10**	**$ 33**	**$ 15,774**	**$ 14,740**

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Alberta Infrastructure and Transportation, represent the East Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by the Alberta Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

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MARCH 31, 2006

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AUDITOR
GENERAL
Alberta

To the Members of the Edmonton and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Edmonton and Area Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 19, 2006

STATEMENT OF OPERATIONS

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 230,068	$ 232,575	$ 219,423
Recoveries - First Nation Reserves	4,737	4,441	5,086
Recoveries - Inter-Authority Services	408	518	547
Miscellaneous Revenue (NOTE 7)	1,614	1,936	2,887
	236,827	239,470	227,943
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	25,561	28,665	24,595
Family Support for Children with Disabilities	24,936	26,342	22,992
Early Intervention	9,565	8,758	9,102
Prevention of Family Violence and Bullying	363	378	353
Parenting Resources Initiative	1,848	2,762	1,843
Fetal Alcohol Spectrum Disorder Initiatives	828	1,294	1,292
Keeping children, youth and families safe and protected			
Child Intervention Services	166,506	163,480	157,696
Child and Family Research	1,358	1,345	1,296
Promoting healthy communities for children, youth and families			
Community Initiatives	1,434	1,674	1,566
Support Services			
Program Support	3,900	4,272	3,797
Board Governance	120	150	117
Inter-Authority Services	408	518	547
Valuation adjustments			
Vacation Pay	-	493	497
Amortization	-	12	12
	236,827	240,143	225,705
Net Operating Results	**$ -**	**$ (673)**	**$ 2,238**

The accompanying notes and schedules are part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006	2005
Assets		
Cash	$ 9,003	$ 10,584
Accounts Receivable (NOTE 4)	10,301	8,044
Advances	3	18
Tangible Capital Assets (NOTE 5)	6	18
	$ 19,313	**$ 18,664**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 17,443	$ 16,121
Net Assets		
Net Assets at Beginning of Year	2,543	305
Net Operating Results	(673)	2,238
Net Assets at End of Year	1,870	2,543
	$ 19,313	**$ 18,664**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	 2005
Operating Transactions:		
Net Operating Results	$ (673)	$ 2,238
Non-Cash Items:		
Amortization of Tangible Capital Assets	12	12
Valuation Adjustments	493	497
	(168)	2,747
Increase in Accounts Receivable	(2,257)	(996)
Decrease (Increase) in Advances	15	(11)
Increase in Accounts Payable and Accrued Liabilities [a]	829	(106)
Cash (Used) Provided by Operating Transactions	(1,581)	1,634
(Decrease) Increase in Cash	(1,581)	1,634
Cash, Beginning of Year	10,584	8,950
Cash, End of Year	$ 9,003	$ 10,584

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Edmonton and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

Reporting Entity

The reporting entity is the Edmonton and Area Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 10) that are restricted are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $236,827 on April 28, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $10,301 and $17,443 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 230,068
Additional funding for the current year	2,507
Grant for the year	$ 232,575

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Children's Services	$ 8,738	$ 7,096
Refunds from Suppliers	668	312
Student Health Initiative	476	254
Other	232	250
Child and Family Services Authorities	176	87
Alberta Alcohol and Drug Abuse Commission	11	-
Department of Human Resources and Employment	-	30
Department of Seniors and Community Supports	-	15
	$ 10,301	$ 8,044

NOTE 5 | Tangible Capital Assets

(IN THOUSANDS)

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	5 years	$ 64	$ 58	$ 6	$ 18

NOTE 6 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade Payable	$ 9,389	$ 8,354
Accrued Vacation Pay and Manpower Expenses	6,320	6,713
Department of Children's Services	1,553	933
Child and Family Services Authorities	181	105
Department of Seniors and Community Supports	-	16
	$ 17,443	$ 16,121

NOTE 7 | Miscellaneous Revenue

Miscellaneous revenues include the following:

IN THOUSANDS

	2006	2005
Recoveries of costs incurred under an agreement (NOTE 10)	$ 1,682	$ 1,499
Previous year refund of expenditures	110	1,069
Other miscellaneous revenue	144	319
	$ 1,936	$ 2,887

NOTE 8 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

IN THOUSANDS

	2006	2005
Long-term leases[a]	$ 117	$ 129

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

IN THOUSANDS

2007	$ 69
2008	$ 23
2009	$ 18
2010	$ 7

NOTE 9 | Contingent Liabilities

At March 31, 2006, the Authority is involved in eleven claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2005 – nine legal claims). Eight of these claims have specified amounts totaling $123,080,000 and three claims that do not have a specified amount (2005 – seven claims with a specified amount of $122,680,000 and two claims that do not have a specified amount).

For all legal claims, the Authority has been jointly named with other entities. The eleven claims are covered by the Alberta Risk Management and Insurance Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 | Payment Under Agreement

The Authority has entered into one third party agreement with Edmonton Student Health Initiative to deliver integrated health and related support services for children with special health needs registered in school programs. The initiative commenced June 2000. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools.

The revenues and expenses of $1,682,000 (2005 - $1,379,000) and the resulting accounts receivable of $476,000 (2005 - $254,000) are included in the financial statements.

NOTE 11 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 12 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

	(IN THOUSANDS)		
	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits (a)	$ 58,268	$ 58,529	$ 55,415
Supplies and Services	154,790	154,286	146,740
Grants	23,361	26,304	22,494
Amortization of Tangible Capital Assets	-	13	12
Inter-Authority Services	408	518	547
Other	-	493	497
	$ 236,827	**$ 240,143**	**$ 225,705**

(a) This includes $216 (2005 - $178) in achievement bonuses for management and non-union staff.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 26	$ -	$ 26	$ 18
Co-Chair of the Authority	-	20	-	20	9
Board Members (12 MEMBERS)	-	101	-	101	66
Chief Executive Officer [4]	128	14	29	171	175

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $11 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) The position was occupied by three individuals through the year.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 232,575	$ 219,423	$ -	$ -
Recoveries - First Nation Reserves	4,441	5,086	-	-
Recoveries - Inter-Authority Services	518	547	-	-
Prior-Year Revenue - First Nation Reserves	-	61	-	-
Miscellaneous Revenue:				
Department of Education	-	-	1,682	-
Department of Human Resources and Employment	-	-	-	120
Department of Seniors and Community Supports	-	-	19	135
	$ 237,534	**$ 225,117**	**$ 1,701**	**$ 255**
Expenses:				
Inter-Authority Services Received	$ 711	$ 183	$ -	$ -
Department of Children's Services	2,598	2,402	-	-
Department of Advanced Education	-	-	61	-
Department of Education	-	-	821	-
Department of Health and Wellness	-	-	653	-
Department of Restructuring and Government Efficiency	-	-	91	70
Department of Seniors and Community Supports	-	-	5	16
	$ 3,309	**$ 2,585**	**$ 1,631**	**$ 86**

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 7,185	$ 6,163	$ -	$ -
Calgary and Area Child and Family Services Authority	-	9	-	-
Central Alberta Child and Family Services Authority	25	(8)	-	-
East Central Alberta Child and Family Services Authority	51	38	-	-
North Central Alberta Child and Family Services Authority	68	25	-	-
Northwest Alberta Child and Family Services Authority	2	-	-	-
Northeast Alberta Child and Family Services Authority	25	-	-	-
Metis Settlements Child And Family Services Authority	(176)	(82)	-	-
Department of Education	-	-	476	-
Department of Human Resources and Employment	-	-	-	30
Alberta Alcohol and Drug Abuse Commission	-	-	11	-
Department of Seniors and Community Supports	-	-	-	(1)
	$ 7,180	**$ 6,145**	**$ 487**	**$ 29**

The Authority also had the following transactions with related parties for which no consideration was exchanged.
The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 5,875	$ 5,996
Administrative	351	400
Legal Services	1,633	1,127
	$ 7,859	**$ 7,523**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 28,665	$ 323	$ -	$ -	$ 27	$ 29,015	$ 24,923
Family Support for Children with Disabilities	26,342	416	-	-	35	26,793	23,459
Early Intervention	8,758	23	-	-	2	8,783	9,121
Prevention of Family Violence and Bullying	378	9	-	-	1	388	357
Parenting Resources Initiative	2,762	-	-	-	-	2,762	1,843
Fetal Alcohol Spectrum Disorder Initiatives	1,294	-	-	-	-	1,294	1,292
Child Intervention Services	163,479	4,837	-	1,633	405	170,354	164,223
Child and Family Research	1,345	15	-	-	1	1,361	1,304
Community Initiatives	1,674	138	-	-	12	1,824	1,717
Program Support	4,272	114	351	-	10	4,747	4,313
Board Governance	150	-	-	-	-	150	117
Inter-Authority Services	518	-	-	-	-	518	547
Amortization	13	-	-	-	-	13	12
	$ 239,650	$ 5,875	$ 351	$ 1,633	$ 493	$ 248,002	$ 233,228

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Edmonton and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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MARCH 31, 2006

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AUDITOR GENERAL
Alberta

To the Members of the North Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the North Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 16, 2006

STATEMENT OF OPERATIONS

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (NOTE 3)	$ 36,180	$ 39,183	$ 36,767
Recoveries - First Nation Reserves	396	768	883
Recoveries - Inter-Authority Services	395	639	388
Miscellaneous Revenue (NOTE 7)	-	935	117
	36,971	41,525	38,155
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	2,813	3,143	2,662
Family Support for Children with Disabilities	3,627	3,932	3,584
Early Intervention	884	2,343	1,022
Parenting Resources Initiative	539	708	544
Fetal Alcohol Spectrum Disorder Initiatives	175	162	163
Keeping children, youth and families safe and protected			
Child Intervention Services	25,295	27,709	27,201
Child and Family Research	330	500	378
Promoting healthy communities for children, youth and families			
Community Initiatives	135	116	134
Support Services			
Program Support	2,553	1,187	1,509
Board Governance	225	214	216
Inter-Authority Services	395	639	388
Valuation adjustments (NOTE 2)			
Vacation Pay	-	44	159
Write-Offs	-	68	-
Amortization	-	12	12
	36,971	40,777	37,972
Net Operating Results	$ -	$ 748	$ 183

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 5,703	$ 5,872
Accounts Receivable (NOTE 4)	1,514	1,297
Tangible Capital Assets (NOTE 5)	32	44
	$ 7,249	$ 7,213
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 3,184	$ 3,896
Net Assets		
Net Assets at Beginning of Year	3,317	3,134
Net Operating Results	748	183
Net Assets at End of Year	4,065	3,317
	$ 7,249	$ 7,213

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 748	$ 183
Non-Cash Items:		
Amortization of Tangible Capital Assets	12	12
Vacation Pay	44	159
Write-offs	68	-
	872	354
Decrease (Increase) in Accounts Receivable [a]	(285)	640
Increase (Decrease) in Accounts Payable and Accrued Liabilities [b]	(756)	1,165
Cash Provided by Operating Transactions	(169)	2,159
Investing Transactions:		
Purchases of Tangible Capital Assets	-	(5)
Cash Used by Investing Transactions	-	(5)
Increase in Cash	(169)	2,154
Cash, Beginning of Year	5,872	3,718
Cash, End of Year	$ 5,703	$ 5,872

(a) Adjusted for write-offs

(b) Adjusted for vacation pay

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The North Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

Reporting Entity

The reporting entity is the North Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivable approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $36,971 on April 23, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities, recorded as $1,514 and $3,184 respectively in these financial statements, are subject to measurement uncertainty. The receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 36,180
Additional funding for the current year	3,003
Grant for the year	$ 39,183

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Children's Services	$ 1,191	$ 1,111
Refunds from suppliers	106	55
Child and Family Services Authorities	150	55
Other	67	76
	$ 1,514	$ 1,297

NOTE 5 | Tangible Capital Assets

IN THOUSANDS

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5 years	$ 63	$ 31	$ 32	$ 44

NOTE 6 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade payable	$ 2,020	$ 2,279
Accrued vacation pay and manpower expenses	999	1,085
Department of Children's Services	62	508
Child and Family Services Authorities	103	24
	$ 3,184	$ 3,896

NOTE 7 | Miscellaneous Revenue

Miscellaneous revenues include the following:

IN THOUSANDS

	2006	2005
Previous year refund of expenditures	$ 800	$ 117
Other miscellaneous revenue	135	-
	$ 935	$ 117

NOTE 8 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

IN THOUSANDS

	2006	2005
Long-term leases[a]	$ 409	$ 371

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

IN THOUSANDS

2007	$ 171
2008	$ 130
2009	$ 84
2010	$ 24

NOTE 9 | Contingent Liabilities

At March 31, 2006, the Authority is involved in three claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2005 – three legal claims). Three of the claims have specified amounts totaling $16,650,000 (2005 – two claims with a specified amount of $16,620,000 and one with no specified amount).

The Authority has been jointly named as a defendant with other entities in all of the claims. The Alberta Risk Management Fund covers three claims amounting to $16,620,000.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 11 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 10,749	$ 10,967	$ 9,755
Supplies and Services	24,161	26,138	25,230
Grants	2,061	2,909	2,428
Amortization of Tangible Capital Assets	-	12	12
Inter-Authority Services	-	639	388
Other	-	112	159
	$ 36,971	**$ 40,777**	**$ 37,972**

(a) This includes $56 (2005 - $31) in achievement bonuses for management and non-union staff

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006				2005
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Co-Chair of the Authority	$ -	$ 25	$ -	$ 25	$ 21
Co-Chair of the Authority	-	22	-	22	20
Board Members (12 MEMBERS)	-	95	-	95	90
Chief Executive Officer (4)	138	15	8	161	78

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $15 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) 2005 Interim CEO salary of $36 paid by the Department of Children's Services not included in total.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 39,183	$ 36,767	$ -	$ -
Recoveries - First Nation Reserves	768	883	-	-
Recoveries - Inter-Authority Services	639	388	-	-
	$ 40,590	**$ 38,038**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 263	$ 252	$ -	$ -
Department of Children's Services	562	970	-	-
Ministry of Health & Wellness - Health Authorities	-	-	52	-
Ministry of Education - School Divisions	-	-	51	-
	$ 825	**$ 1,222**	**$ 103**	**$ -**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 1,129	$ 593	$ -	$ -
Central Alberta Child and Family Services Authority	2	11	-	-
East Central Alberta Child and Family Services Authority	10	30	-	-
Edmonton & Area Child and Family Services Authority	(79)	(25)	-	-
Northwest Alberta Child and Family Services Authority	(24)	-	-	-
Northeast Alberta Child and Family Services Authority	110	16	-	-
Metis Settlements Child And Family Services Authority	28	-	-	-
	$ 1,176	**$ 625**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 1,133	$ 1,055
Administrative	168	221
Legal Services	145	72
	$ 1,446	**$ 1,348**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006							2005
		Expenses – Incurred by Others			Valuation Adjustments			
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Write-Offs [5]	Total Expenses	Total Expenses
Child Care	$ 3,143	$ 40	$ -	$ -	$ 2	$ -	$ 3,185	$ 2,717
Family Support for Children with Disabilities	3,932	69	-	-	3	-	4,004	3,655
Early Intervention	2,343	-	-	-	-	-	2,343	1,022
Parenting Resources Initiative	708	-	-	-	-	-	708	544
Fetal Alcohol Spectrum Disorder Initiatives	162	-	-	-	-	-	162	163
Child Intervention Services	27,709	972	-	145	37	68	28,931	28,293
Child and Family Research	500	-	-	-	-	-	500	378
Community Initiatives	116	14	-	-	1	-	131	134
Program Support	1,187	38	168	-	1	-	1,394	1,798
Board Governance	214	-	-	-	-	-	214	216
Inter-Authority Services	639	-	-	-	-	-	639	388
Amortization	12	-	-	-	-	-	12	12
	$ 40,665	**$ 1,133**	**$ 168**	**$ 145**	**$ 44**	**$ 68**	**$ 42,223**	**$ 39,320**

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the North Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program. Write-offs are allocated by the original program invoiced.

FINANCIAL STATEMENTS

MARCH 31, 2006

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To the Members of the Northwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 11, 2006

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED
MARCH 31, 2006

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (NOTE 3)	$ 26,933	$ 28,247	$ 26,624
Recoveries - First Nation Reserves	1,187	1,186	1,061
Recoveries - Inter-Authority Services	72	198	127
Miscellaneous Revenue (NOTE 7)	-	61	6
	28,192	29,692	27,818
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	2,064	2,355	2,070
Family Support for Children with Disabilities	2,857	3,711	2,526
Early Intervention	1,937	2,044	1,972
Prevention of Family Violence and Bullying	-	58	-
Parenting Resources Initiative	406	382	382
Fetal Alcohol Spectrum Disorder Initiatives	95	117	93
Keeping children, youth and families safe and protected			
Child Intervention Services	17,343	17,477	17,171
Child and Family Research	343	290	270
Promoting healthy communities for children, youth and families			
Community Initiatives	653	538	549
Support Services			
Program Support	2,197	2,202	2,279
Board Governance	225	207	183
Inter-Authority Services	72	198	127
Valuation adjustments (NOTE 2)			
Vacation Pay	-	36	83
	28,192	29,615	27,705
Net Operating Results	$ -	$ 77	$ 113

The accompanying notes and schedules are part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Assets		
Cash	$ 1,563	$ 1,513
Accounts Receivable (NOTE 4)	1,280	1,046
Tangible Capital Assets (NOTE 5)	98	122
	$ 2,941	**$ 2,681**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 2,003	$ 1,820
Net Assets		
Net Assets at Beginning of Year	861	748
Net Operating Results	77	113
Net Assets at End of Year	938	861
	$ 2,941	**$ 2,681**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 77	$ 113
Non-Cash Items:		
Amortization of Tangible Capital Assets	24	-
Valuation Adjustments	36	83
	137	196
(Increase) in Accounts Receivable	(234)	(224)
Decrease in Advances	-	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities [a]	147	(27)
Cash Provided (Used) by Operating Transactions	50	(54)
Investing Transactions:		
Purchases of Tangible Capital Assets	-	(122)
Cash (Used) by Investing Transactions	-	(122)
Increase (Decrease) in Cash	50	(176)
Cash, Beginning of Year	1,513	1,689
Cash, End of Year	$ 1,563	$ 1,513

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Northwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

Reporting Entity

The reporting entity is the Northwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $1,280 and $2,003 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 26,933
Additional funding for the current year	1,314
Grant for the year	$ 28,247

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Children's Services	$ 1,147	$ 971
Child and Family Services Authorities	54	17
Other	48	58
Refunds from Suppliers	31	-
	$ 1,280	$ 1,046

NOTE 5 | Tangible Capital Assets

(IN THOUSANDS)

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	5 years	$ 122	$ 24	$ 98	$ 122

NOTE 6 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

IN THOUSANDS

	2006	2005
Trade Payable	$ 1,215	$ 1,110
Accrued Vacation Pay and Manpower Expenses	725	689
Department of Children's Services	61	21
Child and Family Services Authorities	2	-
	$ 2,003	$ 1,820

NOTE 7 | Miscellaneous Revenue

Miscellaneous revenues include the following:

IN THOUSANDS

	2006	2005
Previous year refund of expenditures – First Nation Reserves	$ 27	$ -
Parental Contributions	24	-
Previous year refund of expenditures - other	10	4
Other miscellaneous revenue	-	2
	$ 61	$ 6

NOTE 8 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

IN THOUSANDS

	2006	2005
Long-term leases[a]	$ 530	$ 488

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

IN THOUSANDS

2007	$ 183
2008	$ 170
2009	$ 117
2010	$ 52
2011	$ 8

NOTE 9 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 10 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

	(IN THOUSANDS)		
	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 10,250	$ 10,554	$ 9,832
Supplies and Services	15,798	16,755	15,676
Grants	2,072	2,048	1,986
Amortization of Tangible Capital Assets	-	24	-
Inter-Authority Services	72	198	127
Other	-	36	84
	$ 28,192	**$ 29,615**	**$ 27,705**

(a) This includes $66 (2005 - $61) in achievement bonuses for management and non-union staff

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 30	$ -	$ 30	$ 14
Co-Chair of the Authority	-	26	-	26	13
Board Members (11 MEMBERS)	-	105	-	105	100
Chief Executive Officer	117	17	34	168	163

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $32 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 28,247	$ 26,624	$ -	$ -
Recoveries - First Nation Reserves	1,186	1,061	-	-
Recoveries - Inter-Authority Services	198	127	-	-
Prior-Year Revenue - First Nation Reserves	27	2	-	-
Miscellaneous Revenue				
Department of Children Services				
- Protection of Children Involved in Prostitution	-	2	-	-
Department of Children Services				
- Maintenance Enforcement Program	24	-	-	-
	$ 29,682	**$ 27,816**	**$ -**	**$ -**
Expenses:				
Department of Children's Services	$ 421	$ 605	$ -	$ -
Inter-Authority Services Received	23	111	-	-
Department of Restructuring and Government Efficiency	-	-	16	16
Ministry of Education - School Division	-	-	639	-
	$ 444	**$ 716**	**$ 655**	**$ 16**

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 1,086	$ 950	$ -	$ -
Calgary and Area Child and Family Services Authority	-	1	-	-
Central Alberta Child and Family Services Authority	(2)	-	-	-
North Central Alberta Child and Family Services Authority	24	-	-	-
Métis Settlements Child And Family Services Authority	30	16	-	-
Department of Children Services - Protection of Children Involved in Prostitution	82	-	-	-
	$ 1,220	**$ 967**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 1,736	$ 1,311
Administrative	249	280
Legal Services	2	7
	$ 1,987	**$ 1,598**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 2,355	$ 58	$ 8	$ -	$ 1	$ 2,422	$ 2,118
Family Support for Children with Disabilities	3,711	96	14	-	2	3,823	2,600
Early Intervention	2,044	-	-	-	-	2,044	1,972
Prevention of Family Violence and Bullying	58	12	2	-	-	72	-
Parenting Resources Initiative	382	-	-	-	-	382	382
Fetal Alcohol Spectrum Disorder Initiatives	117	-	-	-	-	117	93
Child Intervention Services	17,477	1,262	181	2	27	18,949	18,214
Child and Family Research	290	9	1	-	-	300	270
Community Initiatives	538	68	10	-	1	617	549
Program Support	2,202	231	33	-	5	2,471	2,795
Board Governance	207	-	-	-	-	207	183
Inter-Authority Services	198	-	-	-	-	198	127
	$ 29,579	$ 1,736	$ 249	$ 2	$ 36	$ 31,602	$ 29,303

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Northwest Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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MARCH 31, 2006

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AUDITOR'S REPORT

AUDITOR
GENERAL
Alberta

To the Members of the Northeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 12, 2006

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED
MARCH 31, 2006

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (NOTE 3)	$ 9,243	$ 9,735	$ 9,225
Recoveries - First Nation Reserves	66	46	70
Recoveries - Inter-Authority Services	-	-	2
Miscellaneous Revenue (NOTE 6)	381	307	294
	9,690	10,088	9,591
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	319	300	290
Family Support for Children with Disabilities	1,284	1,302	978
Early Intervention	470	456	424
Prevention of Family Violence and Bullying	-	10	-
Parenting Resources Initiative	187	196	184
Fetal Alcohol Spectrum Disorder Initiatives	10	10	10
Keeping children, youth and families safe and protected			
Child Intervention Services	6,085	6,106	5,774
Child and Family Research	90	113	76
Promoting healthy communities for children, youth and families			
Community Initiatives	661	551	492
Support Services			
Program Support	552	766	551
Board Governance	32	22	30
Inter-Authority Services	-	-	2
Valuation adjustments (NOTE 2)			
Vacation Pay		52	(9)
	9,690	9,884	8,802
Net Operating Results	$ -	$ 204	$ 789

The accompanying notes and schedules are part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

	(IN THOUSANDS)	
	2006	2005
Assets		
Cash	$ 1,626	$ 1,254
Accounts Receivable (NOTE 4)	312	303
	$ 1,938	**$ 1,557**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 794	$ 617
Net Assets		
Net Assets at Beginning of Year	940	151
Net Operating Results	204	789
Net Assets at End of Year	1,144	940
	$ 1,938	**$ 1,557**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 204	$ 789
Non-Cash Items:		
Valuation Adjustments	52	(9)
	256	780
Decrease (Increase) in Accounts Receivable	(9)	38
Increase in Accounts Payable and Accrued Liabilities [a]	125	118
Cash Provided by Operating Transactions	372	936
Increase in Cash	372	936
Cash, Beginning of Year	1,254	318
Cash, End of Year	$ 1,626	$ 1,254

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Northeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

Reporting Entity

The reporting entity is the Northeast Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 8) that are restricted, are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $9,690 on February 3, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $312 and $794 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 9,243
Additional funding for the current year	492
Grant for the year	$ 9,735

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Department of Children's Services	$ 228	$ 220
Student Health Initiative Program – Third Party Agreement (NOTE 8)	70	73
Other	14	10
	$ 312	$ 303

NOTE 5 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2006	2005
Trade Payable	$ 476	$ 469
Accrued Vacation Pay	183	131
Child and Family Services Authorities	135	16
Department of Children's Services	-	1
	$ 794	$ 617

NOTE 6 | Miscellaneous Revenue

Miscellaneous revenues include the following:

	IN THOUSANDS	
	2006	2005
Recoveries of costs incurred under an agreement	$ 305	$ 288
Parental Contributions	2	-
Previous year refund of expenditures - Other	-	6
	$ 307	$ 294

NOTE 7 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

	IN THOUSANDS	
	2006	2005
Long-term leases(a)	$ 99	$ 66

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 29
2008	$ 31
2009	$ 23
2010	$ 13
2011	$ 3

NOTE 8 | Third Party Agreements (in thousands)

In partnership with Alberta Education and Alberta Health and Wellness, the Authority has entered into an agreement to deliver student health services in the Fort McMurray, Alberta area to children with emotional and behavioral issues. The partnership, funded by Alberta Learning, covers all costs incurred under this agreement. The Fort McMurray School District #2833 is the designated "banker" for distribution of the funds. Funding is based on cost recovery, therefore no surplus exists. The revenues and expenses of $305 (2005 - $288), and the resulting account receivable of $70 (2005 - $73), are included in the financial statements.

NOTE 9 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 10 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 2,882	$ 2,699	$ 2,411
Supplies and Services	6,378	6,795	6,068
Grants	430	338	330
Inter-Authority Services *(Service Providers only)*	-	-	2
Other	-	52	(9)
	$ 9,690	$ 9,884	$ 8,802

(a) This includes $25 (2005 - $21) in achievement bonuses for management and non-union staff

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 4	$ -	$ 4	$ 10
Co-Chair of the Authority	-	11	-	11	11
Board Members (4 MEMBERS)	-	7	-	7	7
Chief Executive Officer [4]	145	10	6	161	116

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid $10 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) Automobile provided to the CEO, no dollar amount included in non-cash benefits figures.

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 9,735	$ 9,225	$ -	$ -
Recoveries - First Nation Reserves	46	70	-	-
Recoveries - Inter-Authority Services	-	2	-	-
Miscellaneous Revenue:				
Department of Children's Services - Other	-	4	-	-
	$ 9,781	**$ 9,301**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 327	$ 194	$ -	$ -
Department of Children's Services	211	156	-	-
Department of Restructuring and Government Efficiency	-	-	3	-
Ministry of Education - School Divisions	-	-	374	-
Ministry of Health & Wellness - Health Authorities	-	-	130	-
	$ 538	**$ 350**	**$ 507**	**$ -**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 228	$ 219	$ -	$ -
Edmonton and Area Child and Family Services Authority	(25)	-	-	-
North Central Alberta Child and Family Services Authority	(110)	(16)	-	-
	$ 93	**$ 203**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged.
The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 602	$ 439
Administrative	41	47
Legal Services	-	3
	$ 643	**$ 489**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 300	$ 3	$ 1	$ -	$ 1	$ 315	$ 290
Family Support for Children with Disabilities	1,302	-	-	-	-	1,302	1,014
Early Intervention	456	-	-	-	-	456	424
Prevention of Family Violence and Bullying	10	-	-	-	-	10	-
Parenting Resources Initiative	196	-	-	-	-	196	184
Fetal Alcohol Spectrum Disorder Initiatives	10	1	-	-	-	11	10
Child Intervention Services	6,106	400	27	-	34	6,567	6,060
Child and Family Research	113	-	-	-	-	113	76
Community Initiatives	551	136	9	-	12	708	492
Program Support	766	52	4	-	5	827	709
Board Governance	22	-	-	-	-	22	30
Inter-Authority Services	-	-	-	-	-	-	2
	$ 9,832	$ 602	$ 41	$ -	$ 52	$ 10,527	$ 9,291

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, received by the Northeast Alberta Child and Family Services.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency, and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program as all the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents accrued entitlements due to all employees assigned to a program; vacation pay is allocated by the number of employees per program.

FINANCIAL STATEMENTS

MARCH 31, 2006

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

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AUDITOR
GENERAL
Alberta

To the Members of the Metis Settlements Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Metis Settlements Child and Family Services Authority (the Authority) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 15, 2006

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED
MARCH 31, 2006

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (NOTE 3)	$ 4,778	$ 4,865	$ 4,437
Recoveries - Inter-Authority Services	-	538	89
Miscellaneous Revenue (NOTE 6)	-	23	25
	4,778	5,426	4,551
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	180	5	4
Family Support for Children with Disabilities	277	224	177
Early Intervention	634	697	537
Parenting Resources Initiative	50	42	112
Fetal Alcohol Spectrum Disorder Initiatives	25	25	25
Keeping children, youth and families safe and protected			
Child Intervention Services	2,458	2,774	2,215
Child and Family Research	302	297	237
Promoting healthy communities for children, youth and families			
Community Initiatives	224	100	92
Support Services			
Program Support	428	523	467
Board Governance	200	133	112
Inter-Authority Services	-	538	89
Valuation adjustments (NOTE 2)			
Vacation Pay	-	66	(16)
	4,778	5,424	4,051
Net Operating Results	$ -	$ 2	$ 500

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	2006	2005
	(IN THOUSANDS)	
Assets		
Cash	$ 589	$ 574
Accounts Receivable (NOTE 4)	377	529
	$ 966	**$ 1,103**
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 341	$ 480
	341	480
Net Assets		
Net Assets at Beginning of Year	623	123
Net Operating Results	2	500
Net Assets at End of Year	625	623
	$ 966	**$ 1,103**

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED
MARCH 31, 2006

	(IN THOUSANDS) 2006	2005
Operating Transactions:		
Net Operating Results	$ 2	$ 500
Non-Cash Items:		
Valuation Adjustments	66	(16)
	68	484
Decrease (Increase) in Accounts Receivable	152	(404)
Increase (Decrease) in Accounts Payable and Accrued Liabilities [a]	(205)	170
Cash Provided (Used) by Operating Transactions	15	250
Increase in Cash	15	250
Cash, Beginning of Year	574	324
Cash, End of Year	**$ 589**	**$ 574**

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

NOTE 1 | Authority and Purpose

The Métis Settlements Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 | Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

Reporting Entity

The reporting entity is the Métis Settlements Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivable approximates their fair values, due to the short-term nature of these items.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's

Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2005-06 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 13, 2005. The Authority approved the budget of $4,778 on April 23, 2005.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $377 and $341 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 | Grant from the Department of Children's Services

The grant was determined as follows:

	IN THOUSANDS
Initial (ORIGINAL) budget	$ 4,778
Additional funding for the current year	87
Grant for the year	$ 4,865

NOTE 4 | Accounts Receivable

The accounts receivable includes transactions with the Department of Children's Services and other Child and Family Services Authorities which are related parties. The remaining transactions are with external parties.

	2006	2005
	IN THOUSANDS	
Department of Children's Services	$ 198	$ 445
Child and Family Services Authorities	176	82
Other	3	2
	$ 377	$ 529

NOTE 5 | Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities includes transactions with the Department of Children's Services and other Child and Family Services Authorities which are related parties. The remaining transactions are with external parties.

	2006	2005
	IN THOUSANDS	
Trade Payable	$ 95	$ 327
Accrued Vacation Pay and Manpower Expenses	180	132
Department of Children's Services	8	5
Child and Family Services Authorities	58	16
	$ 341	$ 480

NOTE 6 | Miscellaneous Revenue

Miscellaneous revenues include the following:

	IN THOUSANDS 2006	2005
Previous year refund of expenditures	$ 18	$ 25
Other miscellaneous revenue	5	-
	$ 23	$ 25

NOTE 7 | Contractual Obligations

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2007 similar to those provided by these organizations during the year ended March 31, 2006.

As at March 31, 2006, the Authority has the following contractual obligations:

	IN THOUSANDS 2006	2005
Long-term leases[a]	$ 28	$ 68

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2007	$ 17
2008	$ 9
2009	$ 2

NOTE 8 | Contingent Liabilities

At March 31, 2006, the Authority is involved in one claim either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2005 - 1 legal claims). The claim has a specified amount totaling $250,120 (2005 – $250,120).

The resulting loss, if any, from these claims cannot be determined.

NOTE 9 | Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 10 | Approval of Financial Statements

The Authority's Board approved the financial statements.

EXPENSES DETAILED BY OBJECT • SCHEDULE 1

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 1,862	$ 1,667	$ 1,482
Supplies and Services	2,520	2,933	2,322
Grants	396	220	174
Inter-Authority Services *(Service Providers only)*	-	538	89
Other	-	66	(16)
	$ 4,778	**$ 5,424**	**$ 4,051**

(a) This includes $35 (2005 - $25) in achievement bonuses for management and non union staff.

DISCLOSURE OF SALARY AND BENEFITS • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2006

(IN THOUSANDS)

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 15	$ -	$ 15	$ 23
Co-Chair of the Authority	-	23	-	23	19
Board Members (4 MEMBERS)	-	43	-	43	32
Chief Executive Officer	116	15	26	157	141

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-chairs and board members receive honoraria only The Department of Children's Services paid $5 of the total honoraria expenses disclosed in this schedule

(3) Other non-cash benefits include the Authority's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees

RELATED PARTY TRANSACTIONS • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2006

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues:				
Grant from the Department of Children's Services	$ 4,865	$ 4,437	$ -	$ -
Recoveries - Inter-Authority Services	538	89	-	-
	$ 5,403	**$ 4,526**	**$ -**	**$ -**
Expenses:				
Inter-Authority Services Received	$ 538	$ 82	$ -	$ -
Department of Children's Services	70	88	-	-
	$ 608	**$ 170**	**$ -**	**$ -**
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 190	$ 440	$ -	$ -
Edmonton and Area Child and Family Services Authority	176	82		
North Central Alberta Child and Family Services Authority	(28)	-	-	-
Northwest Alberta Child and Family Services Authority	(30)	(16)		-
	$ 308	**$ 506**	**$ -**	**$ -**

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS) Other Entities	
	2006	2005
Expenses (NOTIONAL):		
Accommodation	$ 721	$ 157
Administrative	25	23
Legal Services	-	-
	$ 746	**$ 180**

ALLOCATED COSTS • SCHEDULE 4

FOR THE YEAR ENDED
MARCH 31, 2006

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

(IN THOUSANDS)

	2006						2005
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Vacation Pay (5)	Total Expenses	Total Expenses
Child Care	$ 5	$ -	$ -	$ -	$ -	$ 5	$ 4
Family Support for Children with Disabilities	224	42	-	-	2	268	185
Early Intervention	697	-	-	-	-	697	537
Parenting Resources Initiative	42	-	-	-	-	42	112
Fetal Alcohol Spectrum Disorder Initiatives	25	-	-	-	-	25	25
Child Intervention Services	2,774	502	-	-	55	3,331	2,302
Child and Family Research	297	25	-	-	-	322	237
Community Initiatives	100	42	-	-	-	142	92
Program Support	523	110	25	-	9	667	524
Board Governance	133	-	-	-	-	133	112
Inter-Authority Services	538	-	-	-	-	538	89
	$ 5,358	**$ 721**	**$ 25**	**$ -**	**$ 66**	**$ 6,170**	**$ 4,219**

1) Expenses as per the Statement of Operations, excluding valuation adjustment.

2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Métis Settlements Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Children's Services.

4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

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